

**A Theology of Social Justice and Forgiveness in an Economic Context (Debt)**

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This thesis has been composed by the candidate and has not been submitted for any previous degree. All quotations have been distinguished and the sources of information acknowledged.



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For Dad,  
G Keith Blount (1924-94),  
a more practical theologian

## **Abstract**

The thesis starts from an examination of the present state of personal debt in the UK, drawing out the issues raised in current research. These issues are further examined through a questionnaire and interviews with creditors, debtors and advisers, the results of which are reported and analysed.

This investigation is then treated as the context for reflection, first, on the Biblical material regarding debt, which is found to treat debt within a consideration of justice; the reflection therefore continues by examining (particularly in the work of Miranda and other liberation theologians) a Christian understanding of social justice. This concept is then subjected to challenge through a critique of the assault on social justice from the left (Marx) and right (principally Hayek).

A Christian case for and understanding of social justice having been established, the theology of justice, justification and forgiveness is explored, building a case for forgiveness as part of the way towards justice rather than an alternative to it. This theological case is then translated into a social context, discussing recent work on the politics of forgiveness.

Finally, this theoretical discussion is re-grounded in the original context of debt problems, allowing the theological and contextual elements to interact, and inform Christian contributions to public policy discussion.

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## Introduction

"It's a vicious circle when you've not got enough, so you borrow. Then when you get your money on a Monday you've got to pay it back, so that week you're short. Then you borrow again and it's a vicious circle"<sup>1</sup>.

If debt is "the worst poverty", what is the good news to the poor? That, in compressed form, is the question which this thesis seeks to answer. What insights and resources do Christians have to contribute to current discussion of credit and debt? In particular, does the traditional Christian language of justice and forgiveness provide a useful form for such a contribution, or have assaults on the concept of social justice made the language of justice untenable, while "no-one is interested in forgiveness for no-one believes in sin any more"<sup>2</sup>?

In just over a decade from 1980, the average family's debt has nearly doubled, to the equivalent of seven weeks wages, and for many the problems of the "vicious circle" described above are acute. Of course, neither the problem of debt, nor Christian concern with it, is new; it is one of the areas where "Biblical God language and economics overlap"<sup>3</sup>, and the overlap is more than verbal. Although the typical Church of Scotland congregation praying weekly "forgive us our debts" is unlikely to be expecting the credit card companies to respond by cancelling the outstanding balance on their next statement, there is a long tradition of churches taking a moral interest in matters of credit and debt. For fifteen centuries, usury was a major concern of Christian ethics. The Kirk in Scotland, abolishing rights of sanctuary after the Reformation, retained them for debtors, and that sanctuary was a reality for a square mile around Holyrood well into last century. And today many churches are actively involved in the credit union movement.

The roots of that concern, it will be argued here, are Biblical, in laws, prophetic warnings, parables and eschatological vision, all of which address a context in which debt was a major social problem, and address that context in terms of justice. Yet there has also been a strong tendency to "spiritualise" that tradition, deflecting attention from "real" to "moral" debts. We may find more concern with poverty, pawnbrokers and debt in Dickens than in much of the Victorian church,

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<sup>1</sup> "Rita", a debtor interviewed in Kempson (and others), 1994, p272

<sup>2</sup> Shriver notes this suggestion in a conversation with an unnamed British friend, 1995, p219

<sup>3</sup> Meeks, 1989, p31

although there have always been exceptions to such criticism (Kingsley, for example, wrote of the "sickening weight of debt" in 1848<sup>4</sup>). In one sense, then, recovery or renewal of that tradition provides the starting point for this thesis, ie how can we speak and act from that tradition to today's economic context?

If that is taken as one point of entry into the subject matter of this thesis, there are at least two others. In the past fifty years, social justice has been a major, and increasing, concern of Christian ethics and theology, notably in liberation theology, but also in church statements on political matters. Sinful structures have been analysed, critiques offered, policies of justice advocated and a praxis of liberation developed. But little has been said of forgiveness in relation to these sinful structures, especially as it is often seen as offering an escape route from the demands of justice, cheap grace to the oppressor and a soft option for the church. Is that necessarily so? Can forgiveness, theologically, be an ally (or dimension) of justice, and, if that is so, can it have a social dimension? Some thinking along these lines has come from the "Forgiveness and Politics Project" of the British Council of Churches in the 1980s, from discussions on the "healing of memories" in Ireland, and in Christian responses to the Third World debt crisis. This thesis seeks to continue that reflection, in the current economic context of personal debt in the UK.

But it is a third point of entry that is reflected most clearly in the way the thesis is presented. Questions and concerns arise from the context itself; the plight of debtors, the underlying reasons for growing debt, and the ways in which "society", the state and individuals deal with that all demand Christian ethical reflection and response. Barty-King, whose book on the history of debt as "the worst poverty"<sup>5</sup> chronicles changing patterns and perceptions of debt through the ages, reminds us that the basic issue is not new. But it is the present context in which we must respond, and that demands serious analysis, in social science terms, of credit and debt in Britain today - not to provide ammunition for moral judgments but an understanding of context (derived both from the expertise of social scientific research and the perceptions of those most directly involved) in which ethical and theological reflection can take place, and into which that thinking must reflect back its insights.

The first two chapters therefore seek to build up that understanding. The first reviews research on credit and debt by economists, lawyers and sociologists, by

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<sup>4</sup> In his polemical novel *Yeast*, cited by Atherton, 1992, p5

<sup>5</sup> Barty-King, 1991

professional bodies and charities active in this field, and by pressure groups (both secular and Christian); it also draws on recent political debate, notably about bankruptcy legislation. A picture is built up of the way the credit market operates, of the causes of (or factors likely to lead to) debt, and of possible "solutions" to the problems which emerge. The second chapter builds further on this, through original research which drew (via questionnaire and interviews) on the perceptions and experiences of those involved as creditors, advisers or debtors, and on the attitudes of people in various groups connected (sometimes loosely) with churches. An understanding of debt is therefore built up from the "inside", and, going beneath the surface, an attempt is made to assess what values people bring to bear in this context. At this stage, some consideration is given to matters of "justice" and "forgiveness".

While it will be apparent from the above that Biblical or theological material might equally have provided the starting point, the decision to present it in this way is not arbitrary. The research method was in fact far more interactive than the final presentation suggests, with Biblical, theological and social scientific dimensions continually asking questions of each other. These have been presented, largely, in separate chapters, in the interest of clarity, with the concluding chapter seeking to express the interaction more fully.

But the description of the economic context comes first, as a conscious reversal of a traditional method which works from theory to practice - from the Bible to today or from theology to experience and action. To an extent this reflects the "praxis" method of liberation theology; it also reflects an approach to Biblical hermeneutics which involves a fusion of horizons. This approach moves, as McDonald says, "in a circle or spiral", in which, theoretically, one may engage at any point on the circumference, but the crucial "entrance ticket" is self-understanding (including social understanding). He speaks of a "many-stranded dialectic" -

"One may make a relatively direct approach to the world of the ancient text, as in a historical reading, and allow issues to emerge for contemporary engagement, or one may first explore issues in the modern world and, in the light of this contextual interest, proceed to engage with selected texts. In either case, the circle is completed"<sup>6</sup>.

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<sup>6</sup> McDonald, 1993, p167f

What is most important, then, is that the circle is completed. But it is the latter of the approaches described by McDonald that is adopted in the presentation of this thesis. The issues are raised by the study of the context (and the interviews with those involved help the interpretation of these to become more than private and external), and then we proceed to examine the texts in that light.

The third chapter contains that examination. Without oversimplifying the correspondence between Biblical motifs (such as the jubilee) and the present context, this seeks to read the Biblical material in dynamic relation to the (economic) context of its own time; through an understanding of both contexts, a fusion of horizons is suggested<sup>7</sup>, allowing the authority of the text to speak into the present context.

A key part of what emerges from this is that the Biblical material on debt deals with it within a horizon of justice. That Biblical perspective of justice is a crucial and distinctive one, and is explored in chapter four, building on the Biblical studies of chapter three and on the work of Miranda and other theologians of liberation. The understanding of justice built in this chapter is not presented as the only possible Christian understanding (which it manifestly is not), but it is quite explicitly a Christian understanding, intended, as the whole thesis is, as a Christian contribution to public debate.

Whether, and how, such a contribution can be appropriate in pluralist society requires some engagement at this (and other points in the thesis) with the work of MacIntyre and others. Briefly, the approach taken here is to speak boldly and explicitly out of a particular tradition, not in a spirit of Christian imperialism but as the most authentic and valuable way in which Christians (and others) can contribute to public debate and to dialogue with social scientists.

To some extent, that may beg questions about how that contribution relates to formulating public policy, which are touched on in chapter five in relation to Hayek's work. But the Christian basis of the contribution does not exempt it from secular critique, as is apparent when churches make statements on political issues. Those who have argued that social justice is a meaningless piece of rhetoric or a dangerous mirage must be taken account of. The fifth chapter seeks to listen to two major strands of the assault on social justice - Marxism and the neo-liberalism of

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<sup>7</sup> McDonald, 1993, p217 & 164



Hayek - to offer a critique of their arguments and establish what of social justice may survive them.

It is in chapter six that the "descent into theology" really asserts itself ! Not as an escape from the secular realities of Marx and Hayek, but as further reflection on the Christian contribution to the debate on justice, this chapter considers the theology of atonement, justification and forgiveness. While secular and ethical theory may generally view forgiveness as an alternative to justice, Christian theology, it is argued, sees them in a mutually creative interaction - forgiveness, ultimately, opening up the possibility of justice, as liberation from the power of the (sinful) past. This draws substantially on the work of Gunton and Fiddes, to build a theological case which is central to the project.

But does that theological case have a viable social dimension? Can we talk sensibly and helpfully of a politics, or a social reality of forgiveness which is consistent with, or even creative of, justice? The seventh chapter explores what meaning this may have in a variety of situations, reflecting on Shriver's contention that the "painful study of pain-filled history is the beginning of forgiveness in politics"<sup>8</sup> and starting to ask whether the study of the pain of debt may open up forgiveness in economics.

That leaves the circle still to be completed, by the concluding chapter attempting to tie some of the strands of the thesis together (some glimpses of this emerge at various points along the way). There Biblical and theological discussion of justice and forgiveness is reflected back into the context of debt from which it emerged; the impact of that contextual thinking back into the theological reflection is also assessed.

Clearly, indebtedness is a matter with many moral implications. Some of the changes in practice and attitudes over the past twenty years have provoked almost moral panic in some quarters. Weyer recounts a story of the present Prime Minister's family going through a formative period of severe hardship, having "forced themselves into poverty in order to find the money to repay a debt", but feels that the ground has shifted significantly since then, concluding that "repayment of debt has gone out of fashion in modern Britain" - for everyone from Lloyd's "names" to ordinary Liverpudlians<sup>9</sup>. Recognising that this is not entirely new, he bemoans the fact that "throughout history (since the era of Solon in ancient Greece in fact), there

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<sup>8</sup> Shriver, 1995, p68

<sup>9</sup> Weyer, 1994, p9

have been pundits willing to offer social reasons why debts do not always have to be paid", going on to cite Pope John Paul II's declaration of the acceptability of Third World nations "reneging" on their debts as indicative of this<sup>10</sup>. The worst of the new commandments, he says, are those which blame "society" for the plight of the debtor<sup>11</sup>.

Weyer's analysis is mentioned as a clear example of an individualistic perspective, with an (implied) restricted understanding of justice as the payment of debts. Cameron notes this as true of most of the research (both academic and popular), in which debt is generally perceived as a problem with connotations of blame against the debtor; whether from psychologists or economists, "the academic literature is highly individualistic"<sup>12</sup>. This individualism would also be true of many Christian perspectives which view credit as dangerous, fuelling covetousness, and of most debt counsellors, who will concentrate on the person whose problems are before them and are therefore reluctant to become involved in wider issues.

But there are other possibilities, which might start from how debt functions in the economy at large, and how it relates to poverty. Weyer himself sees the immutability and the shame of debt as pillars of capitalism<sup>13</sup>, while the Commission on Social Justice has argued that "the neo-liberal answer to the limitations of the 1945 settlement, a return to the laissez-faire economics of the minimal state and free markets, has in turn produced a cycle of debt, recession and social polarisation"<sup>14</sup>. Thus, Kempson and her colleagues challenge Mr Micawber's famous dictum on debt and poverty - "annual income twenty pounds, annual expenditure nineteen pounds six, result happiness: annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery" - by showing that many poor families who succeed in making ends meet do so at great cost to their "happiness"<sup>15</sup>, and thereby raising wider questions of a justice that goes beyond fulfilling contracts.

Many of these different perspectives on debt are considered in more detail in the first two chapters of the thesis, but the point to note at this stage is their association with different understandings of justice and of the possibilities of forgiveness. Contrary to the perceptions of many<sup>16</sup>, an ethical reflection on the

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<sup>10</sup> Weyer, 1994, p9

<sup>11</sup> Weyer, 1994, p11

<sup>12</sup> Cameron, 1994, p207

<sup>13</sup> Weyer, 1994, p11

<sup>14</sup> Commission on Social Justice, 1994, p85

<sup>15</sup> Kempson (and others), 1994, p279

<sup>16</sup> See chapter 2 below

"rights and wrongs" of debt situations can be more than a matter of passing judgment on debtors; the reflection attempted here, informed by the Biblical material on debt, sees debt in terms of a wider perspective of justice, viewing debtors not as isolated individuals, but persons in a network of relationships, within a community. And that view of justice seeks a way beyond the spirals of debt, the vicious circle described at the start; forgiveness, as liberation from the tyranny of the past, may open up the possibility of justice here.

Although, as Bonhoeffer says, "the wheel of history cannot be turned back"<sup>17</sup>, justice may demand something quite different from binding people into the consequences of past mistakes or misfortune. In that, the God of hope may be at work. As Shriver puts it (of the Old Testament story of Joseph, which he sees as illustrative of how forgiveness is the raw material for community), "it is in the potential for the future not in the treachery of the past that God's agency in the events can be seen"<sup>18</sup>.

It is along these lines, by making a contribution to the need which Meeks sees for theologians and economists thinking in each others presence, that this thesis will seek to answer the question about good news to the poor debtor by getting alongside those caught up in the vicious circles of debt and seeking liberation.

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<sup>17</sup> Bonhoeffer, 1964, p118

<sup>18</sup> Shriver, 1995, p28

## 1. Debt - The Worst Poverty ?

### Sketching The Scene

The task of this first chapter is to assess the current situation in Britain with regard to personal credit and debt, reflecting the considerable amount of research which has been carried out in response to recent social and economic changes and to resulting public concerns. This research is reviewed here in order to define the context for reflection - to look behind some popular myths and to consider some responses to the "problems" of credit and debt; issues are raised which will be the background for later reflection on social justice and forgiveness.

Over the past decade, a major transformation has taken place in Britain with regard to credit and debt. "The amount of money borrowed by people in Britain has doubled in seven years; the number of mortgage repossessions rose nearly eightfold over the same period; more than half of unemployed families with children are in debt"<sup>1</sup>; and personal bankruptcies in Scotland are spiralling to the extent that Scottish Office projections in 1992 suggested a trend which would have seen 10% of the population bankrupt by the year 2000<sup>2</sup>, or the whole population by 2010<sup>3</sup>. Of course, the realities and causes of the position suggested by such statistics are always open to dispute, but it is clear that there has been a massive expansion of the amount, type and use of credit in recent years, and that a growing number of people are finding themselves in severe debt difficulties - CABx are dealing with 100,000 problem debts each month, and the research suggests that those who seek such advice are likely to be a minority of those with problems. While there are some signs of a slowing down of the credit expansion in the mid-1990s (with the use of credit cards, for example, being displaced by debit cards<sup>4</sup>), there is no sign of a falling off in debt problems. Both the continuing problems and the tapering off of some types of credit use may be products of the recession which has also seen a resurgence of pawnbroking - a very traditional form of credit which had almost disappeared in 1980<sup>5</sup>.

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<sup>1</sup> Berthoud, 1989, p1

<sup>2</sup> Institute of CAs in Scotland position paper on the Bankruptcy (Scotland) Bill, 20.5.92

<sup>3</sup> Debate on Bankruptcy (Scotland) Bill 17-6-92 Hansard col940

<sup>4</sup> Rowlingson & Kempson, 1994, p1, and *The Scotsman*, 2-4-94

<sup>5</sup> Tebbutt, 1984, p197 & Trotter, 1994, p17

It may seem a long time since Shakespeare advised "neither a borrower nor a lender be" (advice recently firmly rejected by the Director General of Fair Trading<sup>6</sup>), but debt problems are not new. The authors of the Crowther Report noted that "lending and borrowing go back to the beginnings of human society and some of the oldest records that have survived from the early civilisations of Mesopotamia are of credit transactions"<sup>7</sup>; issues of credit and debt play an important part in the Biblical narrative, and medieval theologians were greatly occupied with the question of usury; and in "The Worst Poverty", Barty-King paints a broad historical picture of debt problems through the ages, noting many "famous names" who had debt problems (eg Sir Walter Scott), concerns revealed in literature (eg Shakespeare) and legal documents (eg Magna Carta), and the role of sanctuaries for debtors such as Holyrood Abbey until well into last century.

While both upper and lower (though perhaps not middle) classes might have found themselves in Victorian and earlier debtors' prisons, social differentials have always been a dimension of the credit scene. Hire-purchase and "tick" were frowned upon but the possession of an "account" especially at prestigious shops was a status symbol (regardless of the waywardness with which it might be maintained). Barty-King sees building societies as crucial in making debt respectable - "it was one of the factors which transformed shameful debt into indispensable credit"<sup>8</sup>.

It is that transformation which has gathered pace over recent years. Although a credit system may be seen as basic to capitalism, and the overturning of the medieval ban on usury as crucial to the Protestant ethic's contribution to the spirit of capitalism, a cautious, even suspicious, legal attitude to credit which sought to hedge the offering of credit with considerable restrictions may have been a hangover from the rather grudging opening of the door to usury by eg Calvin. Only relatively recently has that given way to a "free" credit market in which the law's role is seen as purely to ensure the effective functioning of that market. From a personal (consumer) point of view, possession of a credit card is seen as a sign of good citizenship, enabling one to be a full participant in society<sup>9</sup>, and the couple who had, in the 1970s, to queue for the privilege of a loan from the building society with which they had been saving would by the 1990s be receiving competing offers from

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<sup>6</sup> Director General of Fair Trading at Money Advice Liaison Group annual conference Nov '93, reported in "*Scottish Citizen*" (Scottish CAB newsletter) January/February 1994

<sup>7</sup> Crowther Report, 1971, 2.1.1

<sup>8</sup> Barty-King, 1991, p166

<sup>9</sup> Ford, 1988, p186

banks, building societies and others eager to lend to them<sup>10</sup> (not to mention the possibility of a "windfall" of free shares as their building society changes its nature and apparently rewards them merely for being in debt to the society).

At the level of national macro-economic policy, controls on credit which had been a major instrument of economic policy in the 1970s were scrapped, leaving only interest rates as a fairly blunt instrument of such policy. Clearly, this change may be seen as the implementation of "free market" policies derived from Hayek and others. Yet there are ironies in its coincidence with monetarist policies, and with such values as "live within your means, put a nest egg by for a rainy day, and pay your bills on time"<sup>11</sup>, apparently espoused by the government.

Credit is basic to capitalism, and consumer credit is basic to the consumer capitalism of the late twentieth century; there is therefore a real sense in which debt is an integral part of the dynamic of capitalism - "the underlying process of encouraging debt is a by-product of the push for high status consumption as a foundation for trend growth in the economy"<sup>12</sup>. Ford sees an important dimension of this policy in seeking social order through indebtedness<sup>13</sup>, a theme running through the drive towards owner-occupancy and the gradual replacement of student grants with student loans (described by a Scottish Office minister as initiating students into the "real world" of indebtedness<sup>14</sup>). Following Baudrillard, we may see the credit system as a form of extended social control, in which bankruptcy is ultimately "a support for the system of commercial credit"<sup>15</sup>, and the Social Fund is an attempt at re-integrating the "underclass" by involving them in the credit society<sup>16</sup>. If there is no such thing as a society of which people feel a committed part, and they do not have a sufficient material stake to commit them to a legal system designed to protect possessions, then credit will embed them in a network of contractual relationships from which they might otherwise be (dangerously) excluded.

### Recent Credit Expansion

The seeds of change were there long before the Thatcher government, however. The Crowther Report of 1971, which led to the Consumer Credit Act of

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<sup>10</sup> Berthoud & Kempson, 1992, p29

<sup>11</sup> Mrs Thatcher cited by Barty-King, 1991, p173

<sup>12</sup> Cameron, 1994, p217/8

<sup>13</sup> Ford, 1988, p189

<sup>14</sup> M Forsyth unpublished talk to University Principals & Vice-Chancellors, 1989

<sup>15</sup> Scots Law Commission, 1981-82, s2.49

<sup>16</sup> Craig in Howells etc, 1993, p129



1974, may be seen as a watershed with its often quoted conclusion that "on balance, consumer credit is beneficial since it makes a useful contribution to the living standards and the economic and social well-being of the majority of the British people"<sup>17</sup>. Credit may, then, be seen as moving from being viewed as dangerous to being morally neutral (a view which often carries the implication that those who can't "handle" credit are themselves to blame), then to being "beneficial" and thence to warranting a status and market of its own, independent of the goods for which the credit is intended. Indeed there are signs that goods are now used to sell credit<sup>18</sup>, overturning the original impetus of the Singer Company in introducing hire-purchase to boost sewing machine sales.

Surprisingly, there are signs that this public view of credit may not be reflected in personal opinions, at least as revealed in the surveys. Most people agree with the statement that "credit is too easy to obtain these days"<sup>19</sup>, and the PSI survey found 43% who felt that credit was "never a good thing", even more being of that opinion in 1989 than in the NCC survey of 1979; their overall conclusion was that the popular view of credit was "at best cautious, at worst antagonistic"<sup>20</sup>. Berthoud notes an "almost moral suggestion that credit is a 'bad thing' in its own right - at about the level of soft porn"<sup>21</sup>, and in the PSI report he and Kempson acknowledge that "many argue that things have gone too far and that we are living well beyond our means: they call for a curb on lending; others put a moral case, arguing that all credit is usury, causes misery and should be severely curtailed if not banned outright"<sup>22</sup>. The tone at least suggests that these attitudes are perceived as outmoded hangovers from the past, even if they are reflected in public opinion possibly more than the approach of the PSI report which aims at moving to a "position where credit is used beneficially"<sup>23</sup>. My own research<sup>24</sup> suggests that attitudes by 1993 may have "caught up" to some extent with the credit expansion, tending more to bear out the assertion of the NCC that "in the past credit of most kinds was seen as a standby, to be used when you were in need rather than for the sake of convenience, and certainly most debt was frowned upon ... this seems to have changed"<sup>25</sup>.

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<sup>17</sup> Crowther, 1971, 3.7.1

<sup>18</sup> Jubilee Group, 1991, p21

<sup>19</sup> Director General of Fair Trading, 1989, p17

<sup>20</sup> Berthoud & Kempson, 1992, p43

<sup>21</sup> Berthoud, 1989, p16

<sup>22</sup> Berthoud & Kempson, 1992, p191

<sup>23</sup> Berthoud & Kempson, 1992, p206

<sup>24</sup> See chapter 2

<sup>25</sup> NCC, 1990, p25

The fact is that the average household, which owed four and a quarter weeks of disposable income at the start of the 1980s, owed seven and a half weeks by the end of the decade<sup>26</sup>. We may also note a shift in bank lending from companies to individuals; between 1978 and 1986 lending to industrial companies fell from 55% to 32% and personal lending rose from 39% to 57%<sup>27</sup>.

This expansion of personal credit is clearly linked with the ending of credit controls noted above, although it may to some extent predate it. While the drive towards a free credit market may be seen as characteristic of government policy in the 1980s, its roots, as we have noted, are in the Crowther Report of 1971 - "the correct line for policy, in its economic aspects, to follow towards consumer credit is that of maximum freedom to develop, subject to measures designed to create the maximum of competition"<sup>28</sup>. Alongside an ideological commitment to the free market, financial institutions' problems with Third World Debt fuelled the supply side of the emerging credit market, causing pressure for controls to be relaxed, which in turn accelerated the process. From the "consumer" point of view, rising incomes and expectations fuelled demand for credit, and inflation plus high interest rates made credit (or even debt) "both economically sensible and respectable"<sup>29</sup>. Thus, the Jubilee Group sees the credit boom as the result of increased supply (which resulted from deregulation and the emergence of problems with repayment of the loans to the Third World which were themselves the result of massive oil revenues seeking a financially attractive home), increased willingness to hold debt (resulting from higher incomes, changing attitudes, and inflation) and aggressive marketing<sup>30</sup> (the NCC notes £150,000m spent on advertising by the financial sector in 1988/89<sup>31</sup>).

### Evaluating The Credit Boom

Having looked at the fact of expansion, and the causes, we must now try to evaluate this trend. Ramsay argues that, since the credit expansion of the 1980s was the result of deliberate policy choices, we need to "question the extent to which this growth in consumer credit has contributed to consumer sovereignty, social welfare

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<sup>26</sup> Berthoud & Kempson, 1992, p47

<sup>27</sup> Hartropp, 1987, p93

<sup>28</sup> Crowther Report, 1971, 1.3.4

<sup>29</sup> Director General of Fair Trading, 1989, p6

<sup>30</sup> Jubilee Group, 1991, p5

<sup>31</sup> NCC, 1990, p54



or individual autonomy"<sup>32</sup>. On the positive side, we may note the end of "mortgage queues" and the opening up of credit to some of those formerly excluded, not to mention the stimulus to growth implied in increased consumer spending. The NCC conclude that credit is "a very popular consumer product"<sup>33</sup> (a phrase in which Marx would have found ample confirmation of his analysis of money and alienation); its beneficial effects, noted in the Crowther Report, have repeatedly received endorsement, as by the Director General of Fair Trading in 1989: "in itself, the availability of credit can undoubtedly be advantageous to the consumer; thus there is value in having goods for use sooner rather than later, and borrowing can provide a means of coping with money problems"<sup>34</sup>. Even if "credit has become a sticking plaster over cuts to benefit levels and affordable housing"<sup>35</sup>, removing the plaster while the wound has not healed will have disastrous effects, at least in the short term. And an economist of the standing of J K Galbraith has claimed a "remarkably egalitarian" function for credit which "allows the man with energy and no money to participate in the economy more or less on a par with the man who has capital of his own"<sup>36</sup>.

The other side of the argument, at macro-economic level, regrets the diversion of resources from investment to consumption, and the inflationary effect of credit expansion. Concern about these issues (rather than about debt problems) led to the establishment of the Crowther Committee in the late 1960s, but their report reassured the government of the day that "the effect of consumer credit on inflationary pressures, on the volume of savings, and on the stability of the industries concerned and of the economy in general is examined, but no reason is found to view its growth with concern"<sup>37</sup>. The argument in the Report is not always convincing, and it is, interestingly, largely Keynesian and pre-monetarist in its economic approach; yet it has remained the received wisdom on the subject, even when going further in saying that "it can be argued that consumer credit contributes to a better allocation of resources by increasing both consumer satisfaction and economic efficiency" (without suggesting how this happens)<sup>38</sup>. Those who believe in the inherently supreme efficiency of the market in using available resources will, of

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<sup>32</sup> In Howells etc, 1993, p65

<sup>33</sup> NCC, 1990, p79

<sup>34</sup> Director General of Fair Trading, 1989, p2

<sup>35</sup> NACAB, 1992, p2

<sup>36</sup> Galbraith, 1975, p79

<sup>37</sup> Crowther Report, 1971, 1.3.2

<sup>38</sup> Crowther Report, 1971, 3.2.6

course, point to the dangers of such artificial intervention as restricting availability of credit to encourage investment (although Adam Smith himself advocated a ceiling on interest rates for precisely this reason<sup>39</sup>). Others will want, at least, to declare the question still open. Ison, for example, argues that "it is a matter of moral value judgments and social policy to arrive at a point in the expansion of consumer credit when it is thought to achieve the optimum good" eg in diverting income from transitory pleasures to durables of more lasting benefit<sup>40</sup>.

Paradoxically, credit may even be seen as a form of enforced saving with the discipline imposed from outside, as Caplovitz detected<sup>41</sup>, which thereby helps to fulfil the need of the economic system for a rapid turnover of goods. Thus the credit system is basic to modern capitalism as a crucial area of co-ordinating production and consumption<sup>42</sup>.

The operation of a credit market does not finally beg such questions as are raised by the "almost moral arguments" about credit mentioned above and by the impact of market forces in this area. Parker, who is far from sympathetic to government thinking on these issues, still says that "there is, of course, nothing intrinsically 'wrong' with the use of credit unless religious or moral objections to usury are held". But many (perhaps especially, though not exclusively, from a Christian perspective) see the credit expansion as both cause and effect of the greed of the consumer society: "during the 1980s a whole new culture - consumerism - was born out of the commercial opportunities created by the desire for instant gratification"<sup>43</sup>. On this view, credit is temptation, the advice is "yield not", and recovery from debt is modelled on that of an alcoholic<sup>44</sup>.

Yet there is more to this line of argument than that caricature might suggest. Credit expansion has undoubtedly been a part of the move towards a culture of "consumer society individualism"<sup>45</sup>; indeed "consumer credit seems to symbolise the contradictory images of consumerism as both liberation and oppression"<sup>46</sup>. It is reasonable - not only from a Christian perspective - to question or challenge the values of consumer society and of possessive individualism, but Ramsay is right to

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<sup>39</sup> See further below

<sup>40</sup> Cited in Ashley, 1983, p74

<sup>41</sup> Cited in Ashley, 1983, p73

<sup>42</sup> I Ramsay, in Howells etc, 1993, p64

<sup>43</sup> Jubilee Policy Group, 1991, p1

<sup>44</sup> Eg in Tondeur, 1994

<sup>45</sup> Hobsbawm, cited in Howells etc, 1993, p67

<sup>46</sup> Ramsay, in Howells etc, 1993, p67

be cautious about "locating within consumer relations alternative values of community and solidarity to the dominant social system or viewing them as sites for social transformation"<sup>47</sup>. Any attempt to realise such values without taking account of the context in which consumer relations operate will be both quixotic and likely to have dangerously unforeseen consequences (this will be further discussed towards the end of this chapter).

### Credit and/or Debt

Perhaps the most serious issues arise when we consider "debt". The distinction between credit and debt is crucial to the current discussion, where credit is generally defended as at least neutral while debt is regretted. To some extent, definitions may depend on perspective - to a lawyer, any amount owed is a "debt", yet few consumers feel themselves to be in "debt" at the point when their electricity bill arrives, so long as they can pay it promptly. The Jubilee Group may be out of touch with popular perception in insisting that all credit is in reality debt<sup>48</sup> (and the possibility of credit cards being rechristened "debt cards" seems remote), but they do speak to the public caution about credit. Most other research agrees on a distinction whereby credit becomes debt when repayments are not being met: credit is an opportunity, debt is a problem. This also echoes public perception, of a difference between the up-to-date mortgage payer (owing perhaps £100,000) and the "real" debtor with an unpaid electricity bill of £50.

A crucial area of debate here is whether the credit expansion is to be "blamed" for the expansion of debt during the same period. Dramatic increases in court cases involving consumer credit and in mortgage repossessions are two of many items of evidence for the increase in debt that has gone alongside the expansion of credit, fuelling the case for a link. While many reports, from Crowther onwards, have drawn attention to the fact that "the proportion of borrowers who get into difficulty with their payments is very small and does not provide grounds for restrictive measures"<sup>49</sup>, the number of people experiencing debt problems is alarming. The Office of Fair Trading found that the percentage of those with credit repayments having "heavy commitments" (defined in terms of residual income) rose from 12.9% in 1982 to 23.3% in 1986<sup>50</sup>, and estimates that around 4.45m people had

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<sup>47</sup> Ramsay, in Howells etc, 1993, p68

<sup>48</sup> Hartropp (ed), 1987, p60

<sup>49</sup> Crowther Report, 1971, 1.3.3

<sup>50</sup> Director General of Fair Trading, 1989, p29

repayment problems in a five year period<sup>51</sup>. Adler and Sainsbury point to increases in all measures of fuel debt in Scotland, and in repossession actions<sup>52</sup>; they also note a rise of 13% per annum in debt collection agency licences granted by the OFT<sup>53</sup>.

Lawson notes a recognition by creditors of increasing problems - "70% of respondents reported an increase in proportion of 'problem accounts'; 20% said this was a 'significant increase'<sup>54</sup> - while also noting that the vast majority of customers still meet obligations without apparent difficulties and this is the context from which creditors work (unlike agencies such as CABx which deal almost exclusively with problem accounts)<sup>55</sup>. In 1983, Ashley argued that "serious debt is a sign of the breakdown of the system" with high social costs whether borne by individual families, creditors or the state<sup>56</sup>; in the intervening years, the problem has grown, coincident with a vast expansion of credit, although some forms of debt are not credit-related (eg most rent and fuel debt). Attempts to play down the scale of the problem in light of the vast scale of the credit market (eg the NCC report's "while the number of people having difficulties has gone up, the rise has not matched the overall increase in the rate of borrowing"<sup>57</sup>) seem dangerously complacent, particularly in light of the increasing incidence of multiple debt and the potential of debt problems to spiral<sup>58</sup>.

### Causes of Debt

What, then, are the causes of debt ? Newspaper accounts of "credit binges" may fuel the stigmatisation of debtors as at best inadequate and at worst fraudulent, but have little if any statistical foundation. There may be some plausibility in the argument that even if just over 50% of unemployed claimants with children are in debt, there are almost half who appear to be coping without running into debt. That, however, is hardly conclusive of debt being "their own fault"; more typical, argues Hormann from German experience, is "the structurally and socially under-privileged debtor who has innocently fallen into a crisis"<sup>59</sup>.

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<sup>51</sup> Director General of Fair Trading, 1989, p39

<sup>52</sup> Adler and Sainsbury, 1988, p18 & p27

<sup>53</sup> Adler and Sainsbury, 1988, p36

<sup>54</sup> Lawson, 1989, p7

<sup>55</sup> Lawson, 1989, p7

<sup>56</sup> Ashley, 1983, p195

<sup>57</sup> NCC, 1990, pxiii

<sup>58</sup> Ashley, 1983, p124

<sup>59</sup> In Ramsay (ed), 1986, p165

Anecdotal evidence of rampant consumerism as the source of debt is not borne out as significant in any of the studies, and Ford points to other causes: "more frequently (than credit card mania) debt results from either a sudden disruption to income (for example as a result of unemployment or relationship breakdown or illness) where previous commitments are difficult to sustain, or from a slower cumulative effect of a persistently low and inadequate income (for example as a result of living on benefit for a prolonged period), and it is these two processes that have been so pronounced during the 1980s"<sup>60</sup>. There is some evidence of an increased proportion of credit transaction developing problems, which seems to bear out the argument for a link, but the evidence is not overwhelming, nor conclusive of such a straightforward explanation. From the creditor side, it may appear that "in a competitive credit market, a certain level of bad debts is a necessary consequence of a profitable exploitation of the market"<sup>61</sup> - the implication of that being that debt problems are inevitable as concomitants of credit expansion. As already noted, there is certainly evidence that a characteristic of the credit expansion has been an increase in the number of households with "heavy commitments" (defined in terms of residual income - after meeting commitments - in relation to needs)<sup>62</sup>. That increase in the number of households at risk does suggest that those who follow the Crowther Report, in deciding that the number suffering problem debts is too small (as percentage of credit customers) to justify significant intervention in the market, may well be too complacent. Logically, one may well argue that credit does not *cause* debt, but one cannot dispute that more widespread credit has meant more people being *at risk* of debt problems.

Many commentators cite Rock's classification of debtors into professional, feckless or unfortunate (a classification Rock in fact derived from the perceptions of debt collectors)<sup>63</sup>. While that may well reflect a more general public perception (though with varying degrees of emphasis), characterisations of debtors and accounts of the causes of debt may well depend on who is asked, and which types of debt are being analysed. Fuel debt and rent arrears, for example, may well be closely linked with poverty; credit card debt may offer more scope for explanations in terms of financial mismanagement; and analysis of mortgage arrears and repossessions may show a clearer link with events such as redundancy or relationship breakdown.

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<sup>60</sup> Ford, 1991, p54

<sup>61</sup> Ramsay, in Howells etc, 1993, p75

<sup>62</sup> Director General of Fair Trading, 1989, p29

<sup>63</sup> Rock, 1973, p85; cited by eg Ashley, 1983, p118



There may also be useful distinctions to be drawn between long- and short-term debt<sup>64</sup>, and similarly between primary and secondary debt as defined at the start of the century by Rowntree<sup>65</sup> - long-term or primary debt being linked to chronic low income, while short-term or secondary debt is likely to be more closely related to interruption in income.

Lawson's survey of creditors' perceptions found a consensus that unemployment was the major trigger, with marital problems playing an increasing role, and "there was a strong feeling in some companies that another significant cause of debt problems was the inability of certain customers to manage their affairs properly"<sup>66</sup>. The OFT survey of debtors' perceptions of reasons for falling into debt found unemployment and fall in earnings as the main causes, but the report is unwilling to blame such structural factors because "it is a common experience that people tend to give reasons which reflect less adversely on their self-esteem"<sup>67</sup>. This caution, however, might equally be applied to creditors and government bodies, whose willingness to justify themselves is likely to be equally strong.

The Jubilee Group start from a hostility to the whole idea of credit, seeing the initial act of borrowing as a primary "cause" of debt, but go on to analyse the factors which turn manageable credit commitments into problem debts. These factors are categorised into "personal, social, economic and credit" and they conclude that "in the 1980s the social and credit categories have been in the ascendancy while the early 1990s may well see the economic category as becoming even more significant"<sup>68</sup>.

The PSI research was probably the most broadly based, on interviews with people drawn from (a) the arrears lists of various creditors, including one bank, a building society, finance houses, utility and local authority housing departments (b) households known to be at greater risk, ie non-pensioners with children, unemployed or on low pay, plus (c) a random sample of the population. This report divides "moral" accounts (which stress the failure of the debtor) from "economic" explanations (which emphasise the economic circumstances in which debt is likely to occur)<sup>69</sup>, and analyses in great detail the factors which increase the risk of debt in

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<sup>64</sup> Parker, 1990, p175

<sup>65</sup> Parker, 1990, p196

<sup>66</sup> Lawson, 1989, p10

<sup>67</sup> Director General of Fair Trading, 1989, p38

<sup>68</sup> Jubilee Policy Group, 1991, p19

<sup>69</sup> Berthoud & Hempson, 1992, p130

any given transaction. The most striking findings are arguably the variety of risk factors, their interaction, and the lack of detected significance in factors such as "consumerism" and budgeting cycles. Some of the significant risk factors (eg age, income) support the socio-economic explanation while others (eg "spur of the moment" purchase, response to advertisement, personal priorities) tend to bolster the "moral" argument.

It is important to distinguish between this account of circumstances in which debt is more likely to occur and discussion of the causes of debt, which would require further analysis of the "risk factors" and how they affect household finances. The (statistically oriented) perception of the "objective" researcher may be more likely to see such structural risk factors, while those involved may be more likely to focus on "trigger" events: the researcher sees the underlying low income and high commitments while the debtor sees a family illness as the immediate cause<sup>70</sup>. It may also be difficult to distinguish between causes of problem debt and symptoms. Haphazard financial management and personal isolation, for example, may be seen as both cause and effect of debt problems<sup>71</sup>.

What is clear is that simplistic accounts are inaccurate and generally misleading, and stereotypes of guilt or innocence (whether of debtors or of creditors) are neither helpful nor conclusive of the issues of justice and/or forgiveness. Indeed, the prevalence of stereotypes and arguments based on them may be the reason for a strong resistance of some of those practically involved (as advisers or as debtors) to any kind of judging of the rights and wrongs of debt situations whether by others or by themselves.

### Responses to Debt

Yet perceptions are important. "Negative attitudes, even if they are no more than prejudices, can strengthen injustice and encourage the perpetuation of conditions which ought to be intolerable", particularly where these take the form of 'blaming the victim'<sup>72</sup>. In this context, they are influential on how creditors treat debtors, on how debtors view themselves (and so react to their situation), and on how the legal system deals with debt problems. Thus Ramsay argues that any system of debt recovery will always reflect assumptions about debtors and creditors<sup>73</sup>, while

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<sup>70</sup> Parker, 1990, p155

<sup>71</sup> Parker, 1990, p140 & 148

<sup>72</sup> Forrester & Skene, 1988, p60

<sup>73</sup> Ramsay (ed), 1986, p2

the NCH report shows the influence of a sense of failure and shame on debtors' "panic" reactions to the emergence of problems<sup>74</sup> and their reluctance to seek advice; 31% of debtors blamed themselves for their problems, while 41% blamed "the government" or "the system". The PSI survey showed some public acceptance that debtors have problems not entirely of their own making<sup>75</sup>, but there is no doubt that debtors feel a sense of failure, often confirmed in the actions of public officials such as Social Security or court officers. Ramsay notes the "extraordinary extent to which debtors had internalised the prevailing view that default is associated with incompetence"<sup>76</sup>, and this has serious consequences for the psychological impact of debt on people, in terms of anxiety, withdrawal, and isolation<sup>77</sup>. The NCC report recognises the "pejorative" connotations of "debt" and "debtor" and therefore prefers to speak of "commitments", reflecting a very different set of presuppositions from the Jubilee Group's proposal of renaming credit cards as "debt cards".

(We may also note, in passing, an interesting aspect of Christian ethical response to credit and debt in the Church of England's requirement that ordinands declare themselves free of debt as a condition of ordination, a stipulation which is posing dilemmas of definition for the Church in defining debt in an age of credit cards, student loans, etc. While this probably originates more in the Church's reluctance to find itself liable for its clergy's debts than in moral scruples, there is at least a sign here that the church and the clergy are not immune from debt problems, as witness the recently reported perception of an archdeacon experienced in dealing with clerical debt that the key words were "foolish" and "feckless"<sup>78</sup>.)

A tendency to "blame the victim" may be reinforced by a mythology of the spendthrift debtors who "overcommit themselves either through ignorance or a compulsion to spend"<sup>79</sup>, while creditors are seen as neutral participants<sup>80</sup>. Although this "common-sense" approach is undermined by the vast bulk of the research<sup>81</sup>, much public debate on debt revolves around it, as for example the parliamentary debate on the Bankruptcy (Scotland) Bill, where pictures of the debtor varied from "scroungers" to people on low income "pushed, egged and encouraged into debt by

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<sup>74</sup> NCH, 1992, p4 & p14

<sup>75</sup> Berthoud & Hempson, 1992, p110

<sup>76</sup> I Ramsay, in Howells etc, 1993, p71

<sup>77</sup> Doling, 1988, p173

<sup>78</sup> *Church Times*, 7-8-92

<sup>79</sup> NACAB, 1992, p37

<sup>80</sup> Jubilee Policy Group, 1991, p1

<sup>81</sup> I Ramsay, in Howells etc, 1993, p63



what should be responsible institutions"<sup>82</sup>. From such discussions, public policy emerges. Historically, we may note the provision of earlier bankruptcy legislation for the court to ascertain whether the debtor was guilty of "idleness, improvidence, gambling or intemperance"<sup>83</sup>. Even if imprisonment for debt was abandoned mainly because it was ineffectual in aiding debt recovery, this still represents a shift from a philosophy of punishing the debtor (with a deterrent effect on others) to a philosophy geared to making the credit system work effectively.

Today, as Adler and Wozniak found, a view of the debtor as "unfortunate" will have very different consequences for policy from a characterisation of the debtor as "inadequate" or calculating<sup>84</sup>. Rock, too, found two extremes of approach - a "social control" ethic, based on the debtor as culpable, and a "social work" ethic based on the debtor as inadequate<sup>85</sup>. Perhaps this analysis is incomplete, since there is a third approach or "ethic" which concentrates more on structural factors and sees the debtor as neither culpable nor inadequate but primarily as a victim of economic forces. It is also important to note the dangers of the apparently compassionate "social work" approach in bypassing questions of debtor's rights, a tendency of approaches which see the courts as inappropriate loci for dealing with debt problems<sup>86</sup>.

As Cameron notes, most of the research (whether by psychologists or economists) is highly individualistic in approach, tending to view debtors in isolation from social trends or structural economic factors<sup>87</sup>; the same is generally true of the approach of debt counsellors, who quite properly deal with their clients as they find them and may view wider factors as irrelevant to dealing with the problems of these particular people. The "privatising" of the problem (by seeing it in terms of the failings or problems of individual debtors) may well function to deflect structural criticism of the situations in which debt arises<sup>88</sup> as well as minimising public awareness of the problems: it certainly accords with the prevailing market philosophy, as we shall see below.

The "mythology" may not be consistent. Lawson found creditors complaining that "instead of instilling a social stigma against deliberate non-

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<sup>82</sup> Hansard, 17-6-92, cols928 & 934

<sup>83</sup> Bankruptcy Act 1883, cited by Parker, 1990, p11

<sup>84</sup> Ashley, 1983, p193

<sup>85</sup> Rock, 1973, p276f

<sup>86</sup> See I Ramsay, in Howells etc, 1993, p73/4: see further below

<sup>87</sup> Cameron, 1994, p207

<sup>88</sup> R Lister in Craig, 1989, p59

payment of debt, sensationalist press coverage labels the creditors as the wicked capitalist exploiters and the debtors as the unsung heroes or misguided unfortunates"<sup>89</sup>. However, the stigmatisation is real, and probably still stronger than any sense of a "respectability" of debt as claimed by the Director General of Fair Trading<sup>90</sup>; one aspect of it may be a condemnation of failure: "no matter how hard this government tries to introduce business culture in Scotland, it won't work while society condemns business failures"<sup>91</sup>, this in contrast to the different view felt to prevail in America.

### Poverty and Debt

One crucial area in terms both of perception and analysis is the question of a link between debt and poverty. A recent NACAB report concluded that "credit has become a sticking plaster over cuts to benefit levels and affordable housing"<sup>92</sup>, yet found it to be "a wholly inadequate remedy for poverty"<sup>93</sup>. As noted above, the alarming percentage of those on benefit who have debt problems may not be seen by defenders of the benefit system as being conclusive of poverty or inadequate benefits as a major *cause* of debt: if some apparently manage to survive without debt, those who do get into debt must be failing in some aspect of budgeting, or so it is argued. Thus, Blamire denies a causal link between poverty and debt, attributing the problems to the creation (by the media and others) of "unfulfillable levels of expectation" especially among those less well-off<sup>94</sup>. The quoted phrase ("unfulfillable levels of expectation") carries some serious implications of a society in which people know their place and have to accept limited horizons, particularly when one realises that the debts are likely to be fuel and rent, or items like a cooker for which people may be refused a Social Fund loan on the ground of their inability to repay<sup>95</sup>. We may also note a link between government policy setting "expectations" or norms through the promotion of council house sales and the disproportionate rate at which such homes figure in repossession<sup>96</sup> especially in the first 3-5 years of the mortgage<sup>96</sup>.

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<sup>89</sup> Lawson, 1989, p13

<sup>90</sup> G Borrie, in Howells etc, 1993, p53

<sup>91</sup> Young, 1994, p17

<sup>92</sup> NACAB, 1992, p2

<sup>93</sup> NACAB, 1992, p2

<sup>94</sup> Speaking at Welsh Consumer Council Seminar 1981, cited in Ashley, 1983, p117

<sup>95</sup> See below

<sup>96</sup> NCC, 1990, p37

Of course, middle class debt exists, even "without the mitigating circumstances of unemployment, marital problems, etc"<sup>97</sup>, but all the research points at least to low income as a major "risk factor" in debt, a link stronger in relation to some debts (eg fuel) than to others (eg credit cards, often not available to those on low income<sup>98</sup>). "The surveys agree in showing that the use of any form of credit rose with increasing income up to about £20,000 a year"<sup>99</sup>, but problem debts show a very different picture. Parker, for example, concludes that "of all the relationships uncovered in the research project, none was more striking than that between indebtedness and low relative income"<sup>100</sup>. It is not simply that the poorest are most vulnerable to debt. They use credit for necessities, to get by, while others, in the same "market", are using it (in greater amounts) as a convenient way to buy consumer desirables, to "take the waiting out of wanting". The market cannot distinguish between the two, except by "rewarding" the greater buying power and freedom of choice of the more affluent by cheaper credit; indeed, it can be argued that the cost to the retailer of allowing payment by credit card is passed on not only to those who are "paying with plastic" but also makes goods more expensive to those who do not have access to a credit card.

It has long been a truism that, in credit as elsewhere, "the poor pay more": one recent calculation suggests that "British Cs and Ds now pay APRs reaching £1 per £100 per week, As and Bs only 60p for the same unsecured loan"<sup>101</sup>. Thus, those who are most at risk of defaulting have the heaviest burdens placed upon them. In the market's terms (or in the creditors' terms) there may be justification for this in higher risks, higher administration costs with small loans, etc, but the impact on the poor at least raises questions of justice. The Crowther Report concluded that this was an "undesirable social effect" of "the deficiencies in the competitive situation"<sup>102</sup>, but the development since then of a more competitive market seems to have exacerbated the situation. Increasingly, the poorest have the least choice of available credit, pay most for it, are the most vulnerable to such market swings as interest rate changes, and face more severe penalties when default occurs, as the Director General of Fair Trading has acknowledged<sup>103</sup>. There is thus a "debt trap"

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<sup>97</sup> Lawson, 1989, p2

<sup>98</sup> See below

<sup>99</sup> Director General of Fair Trading, 1989, p27

<sup>100</sup> Parker, 1990, p201

<sup>101</sup> Sayle, 1992, p11

<sup>102</sup> Crowther Report, 1971, 3.6.3

<sup>103</sup> G Borrie, in Howells, etc, 1993, p56/7

into which fall those who lose credit-worthiness and are forced into higher-interest loans which make the debt burden of the weak even heavier<sup>104</sup>.

One aspect of this is the question of access to credit (and other banking facilities). "Banks ... are closing uneconomic accounts and we are receiving evidence of the refusal of banking facilities in a way that was unheard of ten years ago"<sup>105</sup>. The development of a greater range of financial services by the TSB has cut them off from their traditional roots in basic banking for the poor, many banks have closed branches, especially in poorer areas, and an increasing number of people are being denied bank accounts on the basis of inadequate income - at a time when access to banking is increasingly important to "normal economic participation"<sup>106</sup>. Again, the poorest have often to pay higher interest as less influential consumers: in fact, there can be said to be two credit markets - one for those with the economic muscle to bargain with and the relative security to offer lenders, and another for those without access to such relatively cheap forms of credit as bank loans<sup>107</sup>. Of course, there are serious dilemmas here, with regard to access to credit, as a right or a privilege conditional on good behaviour or financial standing. "If the poor are excluded from the expansion of credit, their standard of living may lag even farther behind those with more comfortable incomes; but if they have been included in the credit boom, there is a risk of their commitments over-reaching their means and causing debt problems"<sup>108</sup>. While access to credit is increasingly access to participation in society, debt functions as an effective termination of social as well as economic participation for many. As we shall see this leads several commentators towards the necessity for some kind of social lending mechanism, though that may be seen as a tactic for re-integrating the underclass by involving them in the credit society<sup>109</sup>; for now, we note that there are complex issues of justice and participation raised. The Glasgow pawnbroker who reported that "when people need money, they are all one class"<sup>110</sup> was uttering a deceptive half truth.

A slightly different picture emerges when, instead of seeing poverty as a part of the background to debt, the study starts from those with the lowest incomes. The techniques of "making ends meet" which emerge from such studies show a great

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<sup>104</sup> Movement for Christian Democracy, 1991, introduction

<sup>105</sup> NACAB, 1992, p57

<sup>106</sup> NACAB, 1993, p1

<sup>107</sup> Kempson and others, 1994, p250

<sup>108</sup> Berthoud & Hinton, 1989, p2

<sup>109</sup> G Craig, in Howells, etc, 1993, p129

<sup>110</sup> *The Scotsman*, 9-12-92

deal more realism and sophistication than those who speak of "infallible" budgeting aids and a grasp of APR as the solution to debt problems allow. Kempson found two basic approaches to poverty (1) minimising expenditure and "cutting back", the approach which receives strong social approval, is more likely to avoid serious debt problems, but carries a high price in terms of deprivation and social isolation and (2) bill-juggling and borrowing, also a highly stressful approach, often ending in financial disaster and generally frowned upon socially. Both approaches tend to try to conceal poverty, the former by hiding it behind a closed door and the other by keeping up appearances, accepting social pressures so as to avoid seeming "different". Either way, there are high costs in struggling to make ends meet, of which debt may be only one symptom.

### Debtors and Creditors

Different perceptions and different needs also arise in the interaction between debtor and creditor, ranging from different preferences in mode of communication (debtors preferring telephone while creditors prefer to write letters) to disparities in ability to cope with court processes. From the start, any single commitment is likely to be a more important part of the life of the debtor than it is of the creditor's business: if it becomes a problem debt, the debtor's whole life will probably be affected, while problem accounts are unlikely to be more than a small percentage of the creditor's business (which is certainly not to say that some creditors are not vulnerable to a growing number of bad debts, but this is more likely to be so in the case of debts between businesses; the present study concentrates on personal debt, although the distinction may be blurred by the growth in self-employment). For these reasons, the customer enters the transaction weaker, particularly the poorer customer, driven by need and with restricted choice as we have seen.

For example, there are likely to be different preferences in regard to payment methods. Creditors are likely to seek a non-cash method with few instalments, whereas people on low incomes require access to a frequent payment method at no cost to themselves<sup>111</sup>. Because the market reflects a greater cost in frequent payment methods, it does not seem able to address the needs of poorer consumers adequately or fairly.

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<sup>111</sup> NACAB, 1993, p29



When things go wrong, the power differential continues. Most typically, creditors will see communication prior to court stage being reached as a period of negotiation while debtors may simply feel that ultimata are being issued to them accompanied by threats. There is evidence that creditors who put most effort into trying to understand the debtor's problems have more success than those who demand immediate payment<sup>112</sup>. Breakdowns in communication between debtor and creditor may well be an important factor in the development from initial difficulties to serious debt problems; they are certainly felt to be so by many of those involved. Yet Lawson found that less than half of finance companies sought personal interviews when problems arose<sup>113</sup>.

It may be worth considering here the impact of the increasingly impersonal nature of many credit transactions. Ford characterises the credit system as "continuous, regular, organised, a series of increasingly impersonal, often visible bureaucratic transactions between individuals and institutions"<sup>114</sup>; the supermarket accepts credit card transactions but has no scope for the informal "tick" of the corner shop or the customer account of the high class grocer (though the "market" may still have space for both of these in response to consumer demand). On the one hand, credit cards may be valued as avoiding the personal interview with the bank manager to secure a loan, but some creditors are concerned that a loss of personal contact may have an impact on default rates<sup>115</sup>. Certainly, "doorstep" credit creates a personal relationship which can give default a sense of letting down a friend. It is important to remember that "in a situation where financial transactions have become increasingly anonymous and impersonal ... a relationship is (still) being established"<sup>116</sup>; a concept of justice which sees relationships as crucial will need to consider this dimension, without being sentimental or nostalgic about "personal" relationships which can be every bit as manipulative as impersonal, contractual relationships.

Again, as we come to legal remedies, we find that, on the one hand creditors who believe that debtors simply won't pay unless threatened by sanctions have this picture apparently confirmed when threats produce results, yet what may be happening is that the debtor re-prioritises multiple debts, robs Peter to pay Paul, or

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<sup>112</sup> Berthoud & Hempson, 1992, p164

<sup>113</sup> Lawson, 1989, p17

<sup>114</sup> Ford, 1988, p13

<sup>115</sup> Lawson, 1989, p2

<sup>116</sup> Jubilee Policy Group, 1991, p33

goes without "necessities" in order to pay up. There is also evidence that debtors respond to pressure by making unrealistic promises of repayment<sup>117</sup>, a tendency also to be found in court orders which take little or no account of debtors' means<sup>118</sup>. Both of these debtor responses tend to reinforce the perception that debtors who "won't pay" are the clear majority over those who "can't pay".

The system of legal remedies is, of course, founded on the assumption that the debtor can pay; the system is therefore "necessarily coercive" (in the words of the Scots Law Commission)<sup>119</sup> and exists to ensure by sanctions the effective fulfilment of promises made in the market: "the county court (in England) is primarily reinforcing the normative values of the creditor/debtor relationship ie if a debt is owed it must be paid"<sup>120</sup> and court officials may develop a culture of assisting the creditor to get his due rather than attempting to establish fair play<sup>121</sup>. We are dealing with a narrow (Hayekian) concept of justice here, with a reluctance to look behind the terms of contracts properly entered into, regardless of the power differential between those involved in concluding the bargain. Significant change from this model, however, might well result in creditors resorting more to private debt collection agencies rather than the courts.

Of course, this coercive model, in which courts tend to become collection agencies for creditors, is not the only possible model; nor is it the only operational model. Adler and Sainsbury note an increasing "privatisation"<sup>122</sup> of debt collection whereby creditors - who may be critical of the way courts operate<sup>123</sup> - are inclined to use other methods than the courts for debt recovery. This may range from "intimidation" (more often by stigma than violence) by bailiffs and even by respected institutions like banks using their financially privileged position, into new, higher interest, loans to a willingness to come to a payment plan agreement drawn up with the aid of money advisers. Ramsay draws on Rock's analysis of a move from coercive to assimilative models of debt enforcement, and points to the dangers of the assimilative view which seeks to integrate the debtor into the credit system and its values - a social work model in which "treatment is aimed at changing the client

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<sup>117</sup> Berthoud & Kempson, 1992, p166

<sup>118</sup> M Cain in Ramsay (ed), 1986, p141

<sup>119</sup> Cited in Ramsay (ed), 1986, p328

<sup>120</sup> J E Davies in Ramsay (ed), 1986, p199

<sup>121</sup> M Cain, in Ramsay (ed), 1986, p106

<sup>122</sup> Adler & Sainsbury, 1988, p33

<sup>123</sup> Lawson, 1989, p17

rather than the social network in which the client is embedded"<sup>124</sup>. As has been found in other areas, informal systems of justice can end up being more intrusive than coercive systems which have built-in safeguards for people's rights. Thus, Adler and Wozniak rejected a welfare model which made debtors into social workers' clients, in favour of an arbitration model in which rights could still be defended through the courts. The vast majority of problems will - rightly - continue to be resolved outwith the courts, but there is a continuing need to ensure that rights are protected and that the enforcement mechanism is not simply an extension of the market.

One area in which the Consumer Credit Act sought to protect debtors' rights is in the provisions aimed at nullifying "extortionate" interest rates; but these seem to have had little practical effect. Unlike previous legislation, that Act contained no interest rate ceiling (not even a presumptive ceiling) but allowed courts to re-open extortionate credit bargains "so as to do justice between the parties"<sup>125</sup>, the test of "extortionate" being in terms of "grossly exorbitant" payments or a contravention of "ordinary principles of fair dealing", having regard to such factors as the age, experience and business capacity of the debtor and the financial pressure he was under<sup>126</sup>. However, only four cases have been reported of credit bargains re-opened under this provision<sup>127</sup>. Bodies such as the NACAB and the OFT have urged changes to the wording to induce a greater readiness to intervene, but the government response has discouraged this<sup>128</sup> and the underlying "root problem is the traditional conservatism and attachment to market ideology of the British judiciary which will prevent them from condemning as 'unjust' contracts which have been freely and fairly entered into even though the interest rate charged is excessive"<sup>129</sup>. Yet Adam Smith advocated interest rate ceilings, on the ground that otherwise "the greater portion of the money which was lent would be lent to prodigals and projectors, who alone would be willing to give this high interest ... so it would be thrown to those who were most likely to waste and destroy it"<sup>130</sup>. Even a presumptive ceiling - such as operates in many Commonwealth and European countries - would be both difficult to fix appropriately and hard to assess in terms of its impact on the market, particularly without the adequate backing of a system of social lending<sup>131</sup>. Yet most

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<sup>124</sup> I Ramsay in Howells, etc, 1993, p71

<sup>125</sup> Consumer Credit Act 1974 s137(1)

<sup>126</sup> Consumer Credit Act 1974 s138 (2-5)

<sup>127</sup> Howells etc, 1993, p13

<sup>128</sup> G Howells, in Howells, etc, 1993, p93

<sup>129</sup> G Howells, in Howells, etc, 1993, p99

<sup>130</sup> Cited by G Borrie, in Howells, etc, 1993, p52

<sup>131</sup> G Howells, in Howells, etc, 1993, p105



understandings of "justice" would balk at interest rates of well over 100% (other than in very unusual circumstances) even if "usury" is a concept seen to belong to another era.

Remedies such as warrant sales and poinding of goods often have little effect in securing the amount owed for the creditor, and their only justification lies in terms of deterrence. Disproportionate harm may be inflicted on the debtor without any significant benefit to the creditor; "in Scotland ... the warrant sale seems designed simply to inflict public humiliation on defaulters" with little effect in recouping money<sup>132</sup>. While the use of warrant sales is becoming rare (or at least was so until rebellion against the "poll tax" brought some resurgence in their use, perhaps with motives other than straightforward debt-recovery), their existence in the background as threat contributes to the stigmatisation of and pressures on debtors.

### Debtor Options

Before the stage of legal remedies, the debtor may seek other means of escape from problems. The rise in debt problems has been accompanied by a rise in advertising of "buy-out" loans offering the attractiveness of getting pressing creditors off one's back and postponing (at some considerable cost) the problems of repayment; is this again something which like "loansharks" can be left to the market to sort out or are steps called for to protect vulnerable consumers (which may be seen as a return to nannying) ? Those who might be termed "down-market" lenders operate with very high risks (and high interest rates)<sup>133</sup>, and even loansharks may have greater accessibility and flexibility of repayment than the Social Fund<sup>134</sup>. (A factsheet accompanying a recent Channel 4 TV programme on loansharks felt it necessary to point out that "it should be remembered that moneylenders are never a 'godsend' or perform a 'social service'. They are only interested in hooking people into paying them at exorbitant rates"<sup>135</sup>.) Thus, the credit market has given access to credit for some previously denied it, and a return to higher levels of regulation might exclude them again. Many of the surveys agree that a way must be found to ensure cheaper loans for the poor (whom the market penalises by forcing them to the less scrupulous, high interest lenders), but how to achieve this is the problem.

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<sup>132</sup> Berthoud, 1989, p34

<sup>133</sup> Berthoud & Kempson, 1992, p154

<sup>134</sup> F Bennett, in Craig, 1989, p9

<sup>135</sup> *Cutting Edge - Loansharks* (Channel 4 Factsheet, 1992)

Does the Social Fund have the possibility of reform in this direction or is it simply an institutionalising of debt? Some of the problems with the Social Fund have been noted above; discretion allows that possibility of discrimination (of which there is some evidence<sup>136</sup>), people are reluctant to get into further debt that leaves them surviving below the poverty line after repayments are deducted, and the approach still seems predicated on the individualisation of the problem rather than reckoning with the facts of poverty ("it is individually targeted and involves individuals accepting responsibility for meeting payments"<sup>137</sup>). The present Prime Minister claimed that the Social Fund was an instrument for achieving equality - between claimants and "those on low incomes who have to borrow for large and unforeseen expenses"<sup>138</sup>; "never has debt been more triumphantly eulogised as a means of promoting equality" comments Phillips.

Yet the Social Fund may be seen as belonging to a tradition which goes back to the 16th century establishment of pawnshops when "the Franciscans stepped into the economic gap created by the expulsion of Jewish money-lenders with a chain of 'saintly pawnshops' (Montes Pietatis)"<sup>139</sup> and leads today to such as the French Credit Municipal, providing small loans to poorer borrowers. A British version of this, aimed at meeting the credit needs of those who have to use credit for necessities, would have to take those needs seriously and would therefore be different from the present Social Fund, with its limited budget (of £100m in 1991 when income support claimants owed the state £150m), inflexibility with repayments<sup>140</sup>, and refusal of loans on the ground of apparent inability to repay (over 27,000 applicants refused on this ground in 1990<sup>141</sup>, and increasingly "Social Fund officers will refuse loans to clients they judge unlikely to make repayments"<sup>142</sup>). At present it seems unlikely that Social Fund loans could be seen as a "means to secure civil and social justice"<sup>143</sup>; rather they form "part of a strategy which is less about providing a suitable credit facility for poor people and more about shifting the responsibility for supporting poor people away from the state and into private obscurity"<sup>144</sup>. Any state loan-based system seems bound to have a connotation of judging the management

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<sup>136</sup> See eg S Ward, in Craig, 1989, p15

<sup>137</sup> Ford, 1991, p45

<sup>138</sup> Phillips, 1992

<sup>139</sup> Sayle, 1992, p9

<sup>140</sup> J Pews, Social Fund Officer, unpublished talk to Central Money Advice Forum, 18-2-94

<sup>141</sup> See Howells, etc, 1993, p41

<sup>142</sup> J Pews, Social Fund Officer, unpublished talk to Central Money Advice Forum, 18-2-94

<sup>143</sup> G Craig, in Howells, etc, 1993, p109

<sup>144</sup> G Craig, in Howells, etc, 1993, p130

skills of those receiving loans, and will also fail to tackle the underlying low benefit and income levels.

Credit Unions are also cited as part of the solution. "A credit union is a co-operative society offering its members loans out of the pool of savings built up by the members themselves"<sup>145</sup>; part of its essence is a common bond uniting the members as eg workers in the same company or members of the same church. Balancing the idealistic objectives with the practicalities of operating in the market has proved difficult, and there are few credit unions in the UK outside Northern Ireland (where there is often a close link with the church). The replacement of market criteria by the common bond and personal knowledge of character may make credit unions too personal for some; others may feel the requirement to be a saver before you can borrow outweighs the attractively low APR, and there is little conclusive evidence that those who borrow from credit unions lack access to the mainstream credit market, or that participation avoids entanglement with moneylenders. Their role therefore seems limited, especially in areas of low management expertise; "their operation seems to be too strongly influenced by 'commercial realities' for them to perform the radical redistributive function often assigned to them"<sup>146</sup>. Indeed, we may see a parallel between credit unions today and the Victorian roots of the Provident, now very much a thriving part of the credit market with interest rates around 100% APR<sup>147</sup>, but conceived by a philanthropic Methodist aiming to instil self-help and sobriety in the poor of his day<sup>148</sup>. The evidence suggests that credit unions tend to be more used by those of middle incomes, and as a convenient saving discipline which helps smooth out the peaks and troughs of finances that are basically sound<sup>149</sup>. Credit unions could, however, develop a role in providing bill-paying facilities for clients which might overcome some of the difficulties with methods of payment. Though restricted, they have a part to play - not least as a challenge to other institutions - in building the system of social lending that is needed by those on chronic low income, including those facing multiple debts, as is attempted in many continental countries.

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<sup>145</sup> Berthoud & Hinton, 1989, p1

<sup>146</sup> Berthoud, 1989, p19

<sup>147</sup> Cameron, 1994, p208

<sup>148</sup> Parker, 1990, p32

<sup>149</sup> Kempson and others, 1994, p176 & 257

### Creditor Action

Solutions which focus on the creditor tend to focus on "responsible lending", with an assumption that expanded granting of credit without adequate checking re ability to pay is a major cause of debt problems. Would more responsible lending practices backed up by credit scoring etc cut debt problems or simply cut poor (and other "high risk" people off from credit ? Certainly market pressures cut both ways here. While the risk of bad debts operates as a limiting factor for creditors, the competitive market makes lenders reluctant to turn down customers who might well get credit next door, particularly if there is a gap between the credit supplier (on commission for sales) and the ultimate creditor<sup>150</sup>. Computer technology opens up many possibilities for sophisticated credit scoring and referencing to reduce risk, which would seem to benefit both lender and, ultimately, borrower; the Jubilee Policy Group, for example reckon that vetting to rule out high-risk debtors could cut 2% from store card interest rates<sup>151</sup>. But neither the selection of criteria nor the effect of their application is straightforward<sup>152</sup>. The PSI report argues that "there can be no doubt such credit scoring has allowed lenders to lend to a wider range of people while keeping risks under control"<sup>153</sup>, but that would be little consolation to the potential borrower turned down yet desperate for a loan which a computer programme suggests he might have problems in repaying. Credit scoring can widen the access gap already referred to. The problems here are not just those of rough and ready "red-lining" of whole districts<sup>154</sup>, but more sophisticated (and accurate) methods raise serious issues of civil liberties<sup>155</sup> which have already caused concern to the Data Protection Registrar. Not surprisingly, 73% of debtors feel that credit blacklisting is unfair<sup>156</sup>. Even systems based on ability to repay (rather than scoring from past performance) are limited in that major triggers of default like illness, marital breakdown and unemployment cannot really be predicted.

It may also be argued that the provision whereby companies can offset bad debts against tax means that they are more ready to risk these in their lending policy, but greater harassment of debtors might well result from a change in the law. The National Consumer Council have gone further in arguing for proper credit checking

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<sup>150</sup> Lawson, 1989, p14

<sup>151</sup> Jubilee Policy Group, 1991, p39

<sup>152</sup> See Crook and others, 1992

<sup>153</sup> Berthoud & Kempson, 1992, p194

<sup>154</sup> See Lawson, 1988, p119

<sup>155</sup> See Berthoud, 1989, p17

<sup>156</sup> R Cotterell, in Ramsay (ed), 1986, p95

- "if a lender cannot prove that a careful check was made, the debt should be treated as unenforceable"<sup>157</sup>. Yet creditors themselves saw the availability of more accurate information about debtors in default and generally about borrowers at the time of the arrangement as two of the three most important steps to improve matters (the other being more effective measures against those who could but won't pay)<sup>158</sup>. While responsible lending seems clearly "a good thing", and "truth in lending" (including obligations to tell the whole truth in terms which consumers can readily understand) is to be encouraged (or compelled by legislation), such arguments fail to account for the high proportion of debtors whose debt arises from chronic low income and whose resort to credit is a matter of desperation rather than free choice.

Thus concern at credit limits being increased at the creditor's instigation may be justified, but appears to have little to do with the realities of debt problems. Such unsolicited increases in credit limits (especially when apparently made in response to a customer exceeding the existing credit limit) may, however, be one aspect of the conflicting signals which defaulters on credit cards seem to receive. The briefly typed note on the statement indicating default may be accompanied by a glossy brochure offering extra loans or encouraging lavish spending, so that some debtors ended up feeling that "credit card companies were more interested in persuading people to spend than they were in encouraging them to pay their bill"<sup>159</sup>.

Creditors might also be encouraged to offer more "user-friendly" payment methods. The PSI study shows great differences in default rates between different payment methods, with token meters for electricity and personal collectors calling weekly showing fewer problems than payment monthly through banks or post offices, but creditors generally do not find these attractive, even seeing them as a subsidy from rich to poor or payer to (likely) non-payer as they may be more expensive to operate<sup>160</sup>. Further, token meters, while apparently preventing debt and disconnection may in fact simply conceal effective self-disconnection.

### Solutions Elsewhere

The PSI survey concluded that "the problem cannot be 'blamed' on irresponsible borrowing any more than any other single cause"<sup>161</sup>. Where else, then, can we look for solutions ? Other "solutions" focus more on the debtor and suggest

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<sup>157</sup> NCC, 1990, p86

<sup>158</sup> Lawson, 1989, p16

<sup>159</sup> Rowlingson & Kempson, 1994, p61

<sup>160</sup> See Berthoud, 1989, p31

<sup>161</sup> Berthoud & Kempson, 1992, p157



that the problem is a budgeting failure. Might greater provision for deductions (of benefit or wages) at source help budgeting or simply reduce debtors' room for manoeuvre? Deductions of benefit at source leave people struggling to survive on less than what is reckoned to be the bare minimum (whether they are for repayment of Social Fund loans or other debt), reduce their ability to budget effectively and tend to make the social security system into a debt collection service<sup>162</sup>.

The Office of Fair Trading, whose responsibility for monitoring the credit market dates from the Consumer Credit Act 1974, has stressed consumer education as crucial to the minimisation of debt, even when there has been little evidence of ignorance as a cause of debt problems: "while it is difficult to be certain of the reasons why people become overindebted (except for the cases due to such things as sudden unemployment or family problems) there seems little doubt that a contributory factor is the general lack of education and advice on the advantages and disadvantages of credit or of particular forms of credit"<sup>163</sup>. They argue for a massive increase in credit education "so that everyone can survive in a credit-oriented society and benefit from it", even seeing advertising as part of that education though admitting it sometimes "goes over the top"<sup>164</sup>.

Discussion of APR (the "annualised percentage rate" in which the total cost of credit has had to be expressed since 1980) is crucial to this argument; "it must be disquieting that nearly two-thirds of adults have not even a vague idea of the meaning or purpose of APR"<sup>165</sup>. But this seems to reflect a way of thinking very different from those struggling to make ends meet, for whom the crucial question is about the level of weekly payments and whose freedom of choice among different "APRs" is minimal<sup>166</sup>. Even at a detached level, the extent to which the basic quoted "price" and the interest rate may be mutually adjusted makes concentration on APR alone misleading. But the fundamental problem with solutions which concentrate on education is the implication that debt results from a lack of education and that debtors who fail to act as rational consumers are to be blamed for their own problems. "It is unlikely that in general working class individuals are in need of greater education in budgeting and credit than middle class individuals"<sup>167</sup>. As already noted, there is a great deal of sophistication in formal and informal

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<sup>162</sup> M McWilliams & M Morrissey, in Ramsay (ed), 1986, p234

<sup>163</sup> Director General of Fair Trading, 1989, p42

<sup>164</sup> Director General of Fair Trading, 1989, p2

<sup>165</sup> Director General of Fair Trading, 1989, p15

<sup>166</sup> G Parker, cited in Howells etc, 1993, p118

<sup>167</sup> I Ramsay, in Howells etc, 1993, p68



budgeting and coping techniques among the poorest which would be well beyond many who can describe APR accurately. While the Crowther Report thought that "in general, the remedy (for debt problems) is to be found by utilising the established techniques of social work"<sup>168</sup>, the scope for this may be limited (as certainly are the time and abilities of social workers in dealing with such areas<sup>169</sup>) if the problem is inadequate income.

Yet supportive consumer education is not to be discounted. The role of various Money Advice agencies is crucial in support of those who have got into serious debt, yet their agreement with the major credit trade associations on a formula for rescheduling and apportioning payments can lead to their becoming benign debt collection agencies in exercising their function of helping debtors deal sensibly with their problems and make appropriate repayment plans (as the IMF has been accused of being in its role in relation to international debt<sup>170</sup>). On the other hand, creditors are not unanimous in their support for the work of advice agencies, claiming that "those who consult agencies often display a 'sins are forgiven' attitude to their responsibilities. Customers at times develop an offhand attitude ... believing that the problem has now been passed to the advice agency"<sup>171</sup>. Although that does not appear to be a common experience, it does hint at the conflicts of interest which can arise for advisers between an advocacy role for clients and creditors' demands for objectivity/impartiality<sup>172</sup>. And alongside that conflict are questions of funding - "can local and national taxpayers be expected to meet the cost of providing debt advice services which ultimately benefit the credit industry?"<sup>173</sup>; but could advisers funded by the credit industry operate in their clients' best interests?

Whatever the value of money advice, presently available resources cannot make more than a token impact on the problem and even an expanded service could not be a panacea, particularly where low income is a major factor<sup>174</sup>; advice can only help stabilise the problem, not solve it, since only occasionally is the debt written off in response to representation<sup>175</sup>.

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<sup>168</sup> Crowther Report, 1971, 1.3.66

<sup>169</sup> Ashley, 1983, p186

<sup>170</sup> Economist, 12-10-91, p32

<sup>171</sup> Lawson, 1989, p22

<sup>172</sup> Lawson, 1989, p23

<sup>173</sup> Howells, etc, 1993, p9

<sup>174</sup> Ashley, 1983, p184

<sup>175</sup> Berthoud, 1989, p35

There is no one simple solution. "Tackling the problem involves preventing debt occurring in the first place, swift and responsible debt collection and providing practical support and help for people who have got into debt"<sup>176</sup>.

### Bankruptcy

Somewhat surprisingly, however, the PSI report makes little or no mention of bankruptcy or the English system of administration orders (which were designed to have a similar effect) as part of the answer. Bankruptcy still carries at least some of the social stigma which saw Joseph Fry disowned by his Quaker meeting on becoming bankrupt<sup>177</sup>; "X went bankrupt and didn't even resign as a Kirk elder - the nerve" reported a Scottish farmer in some indignation. Yet bankruptcies spiralled after the 1985 Bankruptcy (Scotland) Act made it a live option for debtors in deep trouble with no realisable assets - from under 300 annually in 1985 to 12,000 annually in 1992/3<sup>178</sup>. Recognising an annual growth rate of 74% from 1986/87 to 1991/92<sup>179</sup>, and noting that this was well in advance of growth in other parts of the UK, the government argued that this showed that economic factors were not the major cause here, but they must be seen as playing a part in the UK picture as a whole, which has shown a similar, if less dramatic, trend of increase.

Stories of bankruptcies spreading street by street across Glasgow like a disease fuelled a panic about the numbers of bankruptcies in the late 1980s. For some, the upsurge in debtor-led bankruptcies (from 25% of the total in 1986/7 to 87% in 1991/92) indicated that a "relatively easy way out"<sup>180</sup> had been offered, to reinforce a changed attitude to debt, causing alarm among creditors at the shift in the balance of interests - cheap grace indeed. "We often forget - at least people who adopt the bleeding heart approach often forget - that in the end all debts have to be paid ... there is no such thing as a debt that is written off"<sup>181</sup>, said one supporter of the Bankruptcy (Scotland) Bill in 1992, designed to "close the loophole".

The debate in Scotland had close parallels with the situation ten years earlier in the United States, where the idea of the fresh start is said to be closely linked with American attachment to the pioneering spirit of the risk-taker, to individualism and the market. Certainly US bankruptcy legislation has tended to set a lesser price on

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<sup>176</sup> Berthoud & Kempson, 1992, p198

<sup>177</sup> Barty-King, 1991, p129

<sup>178</sup> Magee, 1994

<sup>179</sup> Scottish Office Guide to the Bankruptcy (Scotland) Bill, 1993

<sup>180</sup> I Lang (Secretary of State), Hansard, 17-6-92, col 905

<sup>181</sup> B Walker, in Hansard, 17-6-92, col 919/920

bankruptcy by exempting a wider range of essential personal possessions from involvement in the bankruptcy. The crucial question, traditionally, was "what a family needed to get back on its feet"<sup>182</sup>; but after a concerted campaign against legislation that made bankruptcy more accessible, there was greater concern about the possible exploitation of bankruptcy by the shrewd operator (who replaced the honest struggling debtor as the stereotype on which policy was based)<sup>183</sup>. The new model which has emerged on both sides of the Atlantic views bankruptcy as "a very attractive method of improving one's financial position, so attractive that debtors who are able to pay their debts must be prevented from using it by powerful disincentives"<sup>184</sup>. But neither the US Consumer Bankruptcy Survey, nor UK research supports the idea that bankruptcy has been exploited by large numbers of shrewd financial operators; the reality is much more of people drowning in debt and reaching out for a lifeline. In that sense, some provision for release from debts is a necessary "give" in the joints of the system which enables the machinery to work<sup>185</sup>. If bankruptcy represents a hospital for the financially sick, the appropriate response to a rapid growth in hospital cases would surely be to ask about the causes of the disease (with a view to preventive medicine), rather than to decide that the hospital must be too readily available.

While the writing off of debt is not generally an expectation or even serious hope of most debtors, Ford draws attention to its scale<sup>186</sup>. In 1986, £243m was written off by finance houses to individual customers, and Britain's largest four banks wrote off over £21bn in bad debts in a decade<sup>187</sup>. The choice is not, therefore, between the narrow justice of "debts must be paid" and a more generous understanding; "as the bad debt figures for last year show ... (it is) between organised and early generosity and ... haphazard and reluctant generosity"<sup>188</sup>. Furthermore, a recent analysis of international debt has shown that the "cost of forgiveness" may not be as high as might be supposed, because of the rehabilitation of the debtor to the system, a theory which might equally be applied to personal debt<sup>189</sup>.

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<sup>182</sup> Sullivan and others, 1989, p233

<sup>183</sup> Sullivan and others, 1989, p6

<sup>184</sup> Sullivan and others, 1989, p234

<sup>185</sup> Sullivan and others, 1989, p340

<sup>186</sup> Ford, 1988, p44

<sup>187</sup> Wyer, 1994, p11

<sup>188</sup> Movement for Christian Democracy, 1991, p26

<sup>189</sup> Economist, 12-10-91, p32ff

"Sequestration (or bankruptcy) is primarily a coercive procedure initiated by a creditor by which the assets of a debtor who fails or refuses to pay his debts are made available to his creditors towards the satisfaction of their debts. The debtor, however, may petition the court for the sequestration of his own estate with the object of obtaining in due course a general discharge of his debts, a privilege not granted to debtors in several European legal systems unless they have paid their debts in full"<sup>190</sup>. So wrote the Scots Law Commission in the report which paved the way for the Bankruptcy (Scotland) Act 1985, and their statement of objectives puts much more of emphasis on the interests of creditors than those of debtors<sup>191</sup>. This restatement of the traditional Scottish view lends credibility to the argument that the dramatic increase in bankruptcies which followed the Act was not the result of any intention to lift the burden of debt from poor debtors' shoulders; the fact that a door was (perhaps unwittingly) left open would not have led to the numbers pouring through but for underlying debt problems and the effects of a general economic recession. The debts are real, and 49% of those being sequestrated are unemployed<sup>192</sup>; what, then, can be done about the debts of those on chronic low income with little reasonable prospect of paying them off?

Through a structured "writing off", bankruptcy offers the possibility of a fresh start for those so deeply in debt as to have no realistic hope of recovery, a safety-valve in the financial system which can trace roots back to the Old Testament Jubilee year<sup>193</sup>. As we shall see, it is therefore a meeting place of concerns of justice and forgiveness. The opening up of a possibility of a fresh start makes further investigation of the potential here vital; some attempt to break into the cycle is needed as the NCH report and practice indicate<sup>194</sup>.

A major part of the question is the issue of who pays the cost of any such "forgiveness". Bankruptcy legislation places this almost entirely on the creditor, for all that the 1985 Act came to worry the government so much in terms of the costs of administration. One effect of this may be to encourage creditors' toward more careful monitoring of credit-granting than would take place if they were guaranteed repayment by the state<sup>195</sup>. Yet this may only be seen as just to the extent that problem

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<sup>190</sup> Scots Law Commission, 1981-82, s2.8

<sup>191</sup> Scots Law Commission, 1981-82, s2.49

<sup>192</sup> A Stewart, in Hansard, 17-6-92, col 947

<sup>193</sup> Sullivan and others, 1989, p4

<sup>194</sup> NCH, 1992, *passim*, esp p29

<sup>195</sup> NCC, 1990, p95

debts are caused by irresponsible lending; otherwise, a reluctance to grant credit to the poorest may simply remove the "sticking-plaster" over poverty noted above. Any attempt by the state to bear a substantial part of the cost is not only unlikely in the present climate but would inevitably have hard-to-predict consequences throughout the credit market. If the Bankruptcy (Scotland) Act 1993 is achieving its objectives of not only cutting administration costs to the government but also reducing the embarrassing number of bankruptcies, there may well be "a seething mass of people burdened by debts which they have no hope of paying off but from which they can receive no relief through bankruptcy because they are not apparently insolvent"<sup>196</sup>.

In the UK at least, bankruptcy remains neither easy nor a simple "way out" of debt problems. There are still Dickensian elements of stigma, trauma and important legal disabilities; the impact of reading the personal stories gathered by the Bankruptcy Association may well leave one agreeing that, in bankruptcy, "there is no such thing as a statistic"<sup>197</sup>. It (or its threat) remains more an instrument of diligence for creditors than an escape therefrom - even, in a credit-oriented society, "almost the materialist version of death"<sup>198</sup>, albeit with some prospect of eventual resurrection. Whether a better solution lies in the direction of the protected trust deeds encouraged by the Bankruptcy (Scotland) Act 1993, or of the still-greater US enthusiasm for offering a fresh start (linked with the different attitude to failure in the US mentioned above) remains to be seen. Some way of breaking into spiralling debt problems is needed, not only by the debtors themselves, but by a credit system that requires that casualties do not disappear from the market in significant numbers. At the moment, "bankruptcy is a socially-provided insurance which allows the swift (?) rehabilitation of the debtor to the credit system"<sup>199</sup>; but it is a blunt instrument of policy. "Uncollectable debts are going to be remitted anyway, we may be sure, but by the clumsy destructive mechanism of bankruptcy with all its attendant misery and unemployment. The ancient prophets may have shown us a better way. We could depawn the old ram's horn, breathe deep and let rip one mighty debt-dissolving, economy reviving, interest-slashing, bank-baffling blast ..." <sup>200</sup>. (Then again, perhaps it never was, nor is going to be, as simple as that.)

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<sup>196</sup> Millar, 1994

<sup>197</sup> McQueen, 1992, p5

<sup>198</sup> Movement for Christian Democracy, 1991, p25

<sup>199</sup> I Ramsay, in Howells, etc, 1993, p71

<sup>200</sup> Sayle, 1992, p11



## Debt and the State

In Britain at least, credit and debt occur within a "market". The deregulated credit market of the 1990s consists of an economic and legal framework within which market rules (themselves determined by the framework) operate - "the granting of credit ultimately rests on the promise of the state to enforce debts"<sup>201</sup>. To speak of a credit market operating in isolated perfection is grossly misleading in several ways. More than most "markets", the credit market is bound up with other markets (eg for the goods the credit is intended to pay for); the "prices" of credit in the market (ie interest rates) are largely determined by a combination of international and macro-economic factors extrinsic to those who actually operate in the market; the market, as previously noted, is probably better understood as at least two markets, with "up-market" forms of credit available to those in paid employment and "down-market" forms available to some of the rest of the population; and freedom of choice for many consumers (and many who would like to become consumers) is a myth<sup>202</sup>.

Because the credit market does not operate in isolation, an idealistic attempt to realise here values radically different from those at work elsewhere in society is likely to fail like seeds planted in inhospitable soil (a point for further discussion when Marx's contribution to the understanding of justice is considered). The legal and economic framework in which the credit market operates is a political construct, not something natural but a matter of continuing debate. Currently that economic framework is one of widening inequality<sup>203</sup>, and the market (in credit as elsewhere) does not adequately safeguard the interests of disadvantaged consumers, partly because it fails to take account of the different uses made of credit by rich (for buying consumer goods) and poor (simply to make ends meet)<sup>204</sup>. A concern for social justice which "is committed to the underlying structural imperative that 'there should be no poor among you'"<sup>205</sup> must be concerned that in this market an increasing number of people are trapped in "the worst poverty". To describe such people as the "casualties" of the credit society may be to imply that their fate is an isolated accident; rather their problems are the foreseeable result of "market forces" in both the credit market and the economy in general. "Debt recovery is the flip side

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<sup>201</sup> Sullivan and others, 1989, p3

<sup>202</sup> Tebbutt, 1984, p203

<sup>203</sup> Rowntree, 1995, p6/7

<sup>204</sup> Berthoud, 1989, p13

<sup>205</sup> Movement for Christian Democracy, 1991, p29



of a society which increasingly, through plastic cards, ubiquitous payment-by-installment offerings from retailers and others, regards borrowing as the natural way to pay for what you want"<sup>206</sup>, and debt is a symptom of the inadequacy of credit as the sticking plaster over chronic poverty. The (former) Director General of Fair Trading lists five characteristics of an adequate credit market, as (1) ready access to a competitive market (2) sensible borrowers (3) cautious and restrained lenders (4) confidence in the market (5) fair and constructive arrangements to deal with arrears<sup>207</sup>. Enough has been said above to show that not only is this far from being the case as yet, but that these alone, if obtainable, would not prevent the serious debt problems many experience today.

Arguments (both paternalistic and competitive) for the conscious involvement of the state with the aim of reducing the number of debtors go back many centuries, eg to early Pawnbroking Acts - "the first pieces of comprehensive consumer protection legislation designed in the interests of the poor"<sup>208</sup>. Of course there are also arguments for non-intervention. The Crowther Report advocated treating consumers as "adults who are capable of managing their own affairs" and therefore not restricting their freedom<sup>209</sup>. Hayek (whose work will be considered in detail later in this thesis) has warned of the destructive, unintended consequences of regulation. Yet the state already (and inevitably) defines the rules by which the market operates. The debate, as Howells puts it, is whether the law should be concerned with contract formation only, or with substantive outcomes<sup>210</sup>. And, when these outcomes are shown to compound the problems of the poorest, "only the state can redress the balance and subsidise the poor borrower"<sup>211</sup>.

Others, however, would argue that the tendency to shift blame on to "society" and look to the state for solutions erodes the values of personal responsibility that are basic to the system. The coercive power of the state may be important in the background, but the market simply cannot function unless most people, most of the time, pay their debts out of a sense of moral obligation. This, it is argued, is easily eroded when "excuses" are offered for debt and opportunities given to avoid payment with apparent legal approval (eg in accessible low-cost bankruptcy); from another perspective, that sense of obligation may diminish when

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<sup>206</sup> *The Herald* 5-3-94

<sup>207</sup> G Borrie, in Howells etc, 1993, p58

<sup>208</sup> Crowther Report, 1971, 2.1.17

<sup>209</sup> Crowther Report, 1971, 1.3.5

<sup>210</sup> Howells etc, 1993, p103

<sup>211</sup> Tebbutt, 1984, p204

the debt is to an international grocery chain rather than to the corner shopkeeper with whom one's relationship is more than contractual.

A Christian ethical response to debt may well take as a starting point a presumption that debts should be paid, but that is not the last word, as the medieval discussion of usury and the unproductive nature of money well illustrates (in a manner which may be seen as either a radical challenge to current thinking or simply out of date<sup>212</sup>). This chapter has explored the facts of credit and debt in Britain, and a response to these facts cannot afford to be selective about them, or about the moral issues raised by them. While one of the key points made here has been that stereotypical views of debtors or creditors are likely to be misleading and lead to misguided policies, the fact is that the single parent struggling to make ends meet on benefit is a more typical debtor than the reckless "credit card junkie", the feckless teenager or the shrewd manipulator. Yet all exist, and finding responses appropriate to each, and able to distinguish, is complex.

It is also apparent from the consideration of debt and how it is dealt with that problems of justice are raised at many points and at different levels, but that it is often far from easy to determine what the demands of justice mean in these particular situations. Here, as in other contexts, it may be that "nobody knows ... what justice is"<sup>213</sup>, or perhaps that everyone has her or his own idea, from the minimalist refusal to go beyond "debts must be paid", through "justice as fairness" to the more pro-active understanding that will be developed later in this thesis. This chapter has raised some of the issues which that reflection must address later; the next develops further many of the points raised here about credit and debt, in the light of some original research.

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<sup>212</sup> See further in chapter 3

<sup>213</sup> Wootton, 1962, p162

## **2. Credit and Debt - Perceptions and Values**

In addition to the preceding research review, original research was carried out by means of a questionnaire and personal interviews. The full questionnaire (which appears as an appendix to this chapter) was completed by seven creditors (drawn from banks, building society, finance company, fuel company and a pawnbroker), seven "advisers" (from CAB, money advice project, consumer agency and the legal profession) and seven "debtors" (contacted via CAB, a support group and a college); all of these were personally interviewed (for around one hour) after they had completed the questionnaire. In addition, the questionnaire (without the case studies) was completed by members of four groups connected with local churches - a Woman's Guild (WG), a women's group (WT), a men's unemployed & retired group (G) and a peace and justice group (PJ<sup>1</sup>), totalling 48 people. A pilot version of the questionnaire (with many of the same questions) was completed by members of the local Probus (retired business and professional) Club (Pr).

The purposes of this research were

- (1) to deepen the understanding of debt problems by tapping into the personal experience of those directly involved from various angles
- (2) to examine the perceptions which those involved have learned from their experience and which they apply to their dealings with credit and debt
- (3) to compare these perceptions of those closely and personally involved with those of people drawn from the church and church-connected groups
- (4) to see what values (especially of justice and forgiveness) people bring to bear in this area or derive from it
- (5) to raise and explore further some of the issues which emerged in the previous chapter, and discover what those interviewed view as crucial issues

Particularly with a view to (3), several questions were drawn from those used in other research projects, giving links to the previous chapter and a "control group" where the other research had involved a wider sampling of the population at large. Each person who completed the questionnaire was also asked to give the first digit of their age and a self-estimate of their church involvement (1 = highly committed, 2

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<sup>1</sup> This group had spent some time discussing credit and debt before filling in the questionnaire

= regular attender, 3 = occasional attender, 4 = no involvement) with a view to assessment of whether these were important factors in determining perceptions.

(Despite efforts to avoid personal influence of the interviewer on the responses, it may be that one factor in the differences between some of these results and those of other, wider, research could be a sub-conscious response to the source of the questionnaire being a minister, influencing people to present what they might expect ministers to see as their best side. I have no more concrete evidence either way on this, but offer it as a slight caution with regard to some of the results.)

In the preparation of the questionnaire, questions were designed as clusters with a focus, ie (A) Questions 1, 2, 3, 8 (linked also with 22 and questions two and four in each of the case studies) - all intended to measure the extent to which debtors are being blamed for their own problems (B) Questions 4, 5, 14, 17 (linked also with 23) - all intended to measure the strength of perceived obligation to pay one's debts (C) Questions 6, 7, 10, 18 (with possible links to 21 and question four in the case studies) - all intended to measure the extent to which responsibility is felt to rest on creditors (D) Questions 13, 15, 16 - all intended to measure enthusiasm for the idea of a "fresh start" (E) Questions 9, 16, 19 - all intended to measure hostility to bankruptcy.

However, the responses, to questions 1-19, of all those surveyed were analysed by means of correlation matrix and factor analysis, to assess correlations between responses to different questions and draw out possible common factors underlying these responses. The result of this seems to undermine any sense of the designed clusters as each representing one coherent viewpoint. The factor analysis is therefore examined below in terms of which factors seem to be operating, and then the responses to the individual questions (both on paper and in interview) are considered in the light of that, before the original "clusters" are reconsidered. At the conclusion of this chapter, the issues raised, and the relevance of understandings of justice and forgiveness in this context are assessed.

### Factor Analysis

Factor analysis was carried out using Minitab programmes. Rotated orthogonal factor solutions were explored, and the following (4 factor) analysis was selected as the most useful (3 factor and 5 factor analyses were also carried out), giving four factors with Eigen values over 2, explaining 54.8% of variance, with only 3 questions (ie Q 14, 15, 18) loading  $r > 0.4$  on more than one factor and only one question (Q17) failing to show a loading  $r > 0.4$ .

Principal Component Factor Analysis of the Correlation Matrix  
Rotated Factor Loadings and Communalities (Varimax Rotation)

Question	Factor1	Factor2	Factor3	Factor4	Communality
1	-0.038	-0.086	-0.693	-0.070	0.494
2	0.021	-0.232	-0.437	0.095	0.254
3	0.736	0.028	0.131	0.289	0.644
4	0.628	0.288	0.083	0.393	0.638
5	0.113	0.025	0.280	-0.629	0.488
6	0.217	0.719	0.102	0.289	0.657
7	-0.077	0.610	-0.153	-0.224	0.451
8	0.777	0.011	-0.135	0.042	0.623
9	0.401	0.026	0.096	-0.222	0.219
10	0.268	0.834	0.050	0.103	0.780
11	0.550	0.214	-0.333	-0.179	0.491
12	0.048	-0.092	-0.360	-0.679	0.601
13	0.028	0.128	-0.657	-0.022	0.449
14	0.585	-0.241	-0.043	-0.572	0.728
15	0.020	0.407	-0.582	-0.151	0.527
16	0.786	0.172	-0.036	-0.211	0.693
17	0.343	0.348	0.363	-0.348	0.491
18	-0.174	0.265	-0.410	-0.528	0.548
19	0.779	0.059	0.095	-0.075	0.625
Variance	3.8593	2.2484	2.1607	2.1352	10.4036
% Var	20.3%	11.8%	11.4%	11.2%	54.8%

This appears to show some general (moral ?) values operating in the thinking of the respondents. Factor 1, in which Q 3, 4, 8, 9, 11, 14, 16 and 19 load  $r > 0.4$  (all positively), would appear to have a common theme of the personal responsibility of debtors for their own situation, with an element of judging the debtor and reluctance to offer an "easy" way out of problems through bankruptcy. However, Q 1 and 2 do not load highly here, suggesting that any "judgment" is in relation less to the causes of debt than to the response to it. Factor 2 shows high ( $r > 0.4$ ) loadings for Q 6, 7, 10 and 15 (all positively), suggesting a tendency to stress the responsibilities of creditors/lenders at the time of making the agreement (Q18, which doesn't load significantly here, relates to creditors' responsibilities at the later stage of sorting out problems; although Q15, whose loading is fairly high, does seem to suggest

creditors bearing the cost of extending credit which people cannot afford to repay). Factor 3, with high loadings from Q 1, 2, 13, 15, and 18 (all negatively), seems to reflect a tendency to look to factors beyond the immediate parties both for causes and solutions to problems. Factor 4, where the high loadings are from Q 5, 12, 14 and 18 (all negative), appears to have a common element of concern for a basic standard of living (possibly balanced by the threat of punishment (Q14)).

The preliminary suggestion is, therefore, that there are four underlying values operating to influence people's responses to credit and debt, ie

- personal responsibility (of debtors)
- responsibilities of lenders
- assessments of social factors
- concern for people's need for a basic standard of living.

### Item Analysis

Responses to individual questions are now considered<sup>2</sup>, comparing the responses of the different groups and drawing on the amplifications of answers given in interviews. In order to assess the statistical significance of differences in response from one group to another, a chi-square test of significance has been applied to the comparison of these differences, without dismissing completely divergences which do not score highly (bearing in mind the difficulties of the small scale of the survey especially in terms of the creditors, advisers and debtors)<sup>3</sup>. Two correlation matrices (indicating correlation between responses to different questions) will also be referred to - one for all questions, based on the "CAD"<sup>4</sup> responses, and another for Q 1-19 (plus the questions about age and church involvement) based on all responses<sup>5</sup>, and, for comparison, the results of other research using the same questions will be drawn upon. This is intended to seek to maintain a level of statistical integrity, while being aware that the size of the sample militates against building a significant case on statistical analysis; the point, as noted

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<sup>2</sup> The questions are grouped according to the factor on which they load highly

<sup>3</sup> The chi-square tests were carried out using the numbers "agreeing" - scores 1 or 2 -, numbers "disagreeing" - scores 4 or 5 -, and numbers who "don't know" - score 3; actual numbers in each category were compared with average numbers which were treated as the "expected" numbers; only the responses from the groups who were asked all the questions 1-19 were used, ie C, A, D, WG, WT, PJ, G. Alpha was taken as = .05

<sup>4</sup> CAD will be used as an abbreviation for the creditors, advisers and debtors interviewed

<sup>5</sup> These matrices show slightly different patterns, although the significance of the difference is undermined by the small size of the CAD sample; they appear as appendices 2 & 3 to this chapter



above, is much more to draw out issues for theological and ethical reflection and response than to prove a hypothesis.

### Questions Loading Highly in Factor 1 "Personal Responsibility"

#### Q3 : "People who are in trouble with debt do not know how to run their lives properly"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G	Pr
3.34	3.57	4.14	4.43	4.05	2.50	3.50	3.75	3.50	2.23

This question showed significant differences in response between groups<sup>6</sup>, with those having personal experience of debt showing least agreement with the statement, and the oldest groups (WG & Pr) showing most agreement. In fact, none of the CAD respondents gave an "agree" answer score - a vastly different response from Adler & Wozniak's results with this question (although they asked a simple agree or disagree, which may contribute marginally to the result):

Group	%Agree	%Disagree	%Don't Know
Creditors	0	57	43
Advisers	0	71	29
Debtors	0	86	14
A&W Control	66	27	7
A&W Debtors	74	24	2
Rock London	75	21	4

It is hard to see what reason there might be for this difference other than the 10-15 year gap between the two pieces of research, suggesting that a greater general level of reluctance to judge the competence of debtors may have accompanied the rise in debt problems during the 1980s (which would also fit with the greater tendency of older people to agree with the statement)<sup>7</sup>. One creditor and one adviser did suggest a difference between ability to run one's life in general and ability to manage one's finances; judgements about the former were not to be made on the basis of the latter. Another adviser, who said that "the word is ignorance", spoke about the difficulties of dealing with officialdom, suggesting that numeracy and literacy, as well as mental health, were factors. Complicated skills are required to live in the credit society. But the clear overall message from those involved in any

<sup>6</sup> Chi-square value 21.25;  $p < .05$

<sup>7</sup> Adler & Wozniak, 1981, p231; the Rock sample (Rock, 1973, p15) from London is also cited there: percentages are used for the results in this table to facilitate comparison

<sup>8</sup> See also note below re general responses

way with debt problems was a reluctance to blame the incompetence of the debtor for the problem. Significantly, some debtors felt themselves to be good managers (despite, in one case, having been through bankruptcy) because of having coped with bringing up a family while dependent on benefit.

Q4 : "People should pay the money they owe right away even if that means going short on other things"

Avg	Cdtrs	Advrsrs	Dbtrs	CAD	WG	WT	PJ	G	Pr	PSI <sup>9</sup>
2.79	3.14	4.00	3.86	3.67	1.92	2.30	3.00	3.40	2.42	2.08

Again there are significant differences<sup>10</sup>, with advisers and debtors less inclined to have debts take priority over necessities, in contrast to the two women's groups and to the PSI survey group. Advisers tended to speak about prioritising in response to this question and Q5. However, one surprise was the lack of correlation<sup>11</sup> between this question and Q5 (which might be read together as alternatives); this, however was also the experience of the PSI researchers, who asked both questions. The slight difference in phrasing (between "going short on other things" and "enough to live on") could be crucial; some respondents pointed to the difficulties of assessing "needs" in this area.

Q8 : "People who don't pay their debts are dishonest"

Avg	Cdtrs	Advrsrs	Dbtrs	CAD	WG	WT	PJ	G	Pr
3.73	4.43	4.71	4.43	4.52	2.92	3.90	3.75	3.80	2.76

Group	%Agree	%Disagree	%Don't Know
Creditors	0	100	0
Advisers	0	100	0
Debtors	0	86	14
A&W Control <sup>12</sup>	39	56	4
A&W Debtors	10	69	1 <sup>13</sup>
Rock London <sup>14</sup>	29	66	5

Among the CAD group, this question produced the highest average score (ie strongest disagreement) of any; again there is a significant difference between the

<sup>9</sup> Berthoud & Kempson, 1992, p127, results adjusted to be directly comparable

<sup>10</sup> Chi-square value 24.24; p<.05

<sup>11</sup> R= -.03

<sup>12</sup> Adler & Wozniak, 1981, p231

<sup>13</sup> Does not add up to 100% in Adler & Wozniak published results

<sup>14</sup> Rock, 1973, p15

groups<sup>15</sup>, with the CAD groups being least likely to judge debtors as dishonest. One adviser pointed out that, while bankruptcy recognises the plight of the honest debtor who cannot pay, the courts do not otherwise recognise this. One debtor did want to state that "jealousy, greed and abuse of the system do exist", and an adviser felt that clients did not lie but gave their own perception and told their story in a way designed to elicit maximum sympathy.

Q9 : "I would look upon someone differently if I found out he had been made bankrupt"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
3.47	3.00	3.71	4.00	3.57	3.36	3.40	3.00	3.80

There was not a great degree of variation here<sup>16</sup>, with several respondents making clear a difference between professional relationships which would have to take account of past bankruptcy and personal relationships in which they might not be influenced by it. One adviser stressed that the "ordinary, run-of-the-mill" bankruptcy was likely to be very different from the "That's Life" scenario of unscrupulous debt evasion. Another pointed out that some people went to extraordinary lengths to conceal their bankruptcy, while others didn't seem to care about people knowing. Some of the debtors were reluctant to answer this (and other questions about bankruptcy) because it was felt to be beyond their experience, "not for the likes of us". However, it did emerge in interviews that one debtor, a close friend of two other debtors interviewed who claimed no knowledge of bankruptcy or anyone who had been bankrupt, had herself successfully concealed her own bankruptcy from these two friends. Another debtor who had been bankrupt also spoke of finding it hard to tell people. One creditor admitted a difference here between reality of his reactions and what he would like to be; another, who spoke of a "gravy train" before the 1993 change in bankruptcy law, nevertheless spoke of a need to recognise that people do mature and change. It would appear that there is still an element of shame and/or guilt about bankruptcy, with some foundation in people's reaction to those who have been bankrupt.

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<sup>15</sup> Chi-square value 26.02;  $p < .05$

<sup>16</sup> Chi-square value 5.49;  $p > .05$

Q11 : "Social workers should take over the budgeting responsibility of people who are in debt"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
3.30	3.71	4.57	3.86	4.05	2.91	3.40	3.75	2.30
Group				%Agree	%Disagree		%Don't Know	
Creditors				0	57		43	
Advisers				0	100		0	
Debtors				29	57		14	
A&W Debtors <sup>17</sup>				65	33		2	

The main differences here were between the older groups (WG & G) and the rest<sup>18</sup>. The welcome which Adler & Wozniak found among default debtors for this suggestion was not to be found among respondents here involved in debt problems. Perhaps surprisingly, the debtors here were slightly less hostile to the idea than the creditors and advisers - none of whom agreed with the statement. Some creditors and advisers spoke of personal responsibility - "people will never learn if someone else 'takes over'" - and of a threat to freedom if some such step were obligatory. Others based their answer on personal opinions of social workers, while recognising that some help or support with budgeting was often necessary. Debtors' responses were more varied, still including some resentment of social workers, and also one opinion that "what is needed is not advice but money".

Q14 : "People only pay whatever they owe because they are afraid of what would happen if they got caught for avoiding payment"

Avg	C	A	D	CAD	WG	WT	PJ	G	Pr
2.94	3.57	4.43	2.43	3.48	2.54	3.50	3.75	1.80	2.98
Group				%Agree	%Disagree		%Don't Know		
Creditors				29	57		14		
Advisers				0	86		14		
Debtors				57	29		14		
A&W Control <sup>19</sup>				44	52		4		
A&W Debtors				44	54		2		

<sup>17</sup> Adler & Wozniak, 1981, p261

<sup>18</sup> Chi-square value 24.01;  $p < .05$

<sup>19</sup> Adler & Wozniak, 1981, p243

Perhaps the most interesting variation here<sup>20</sup> is that debtors were markedly more cynical about this than either advisers or creditors, one of whom cited as evidence for his disagreement the tendency of debtors to offer more than they could afford in payment. One adviser reported that the consumer organisation for which she worked found "a strong sense of moral responsibility in Scotland". The correlation matrix for the CAD group suggests fairly strong (negative) correlations between responses to this question and questions 6 and 10<sup>21</sup> (although neither of these loads significantly on this factor), perhaps linked by a cynicism (or lack of it) about people generally.

Q16 : "Bankruptcy is too easy a way out of debt problems"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
2.53	3.14	4.29	3.43	3.62	1.79	2.40	2.75	2.00

Again there is a significant difference between the advisers and others<sup>22</sup>. Public perception of bankruptcy (possibly influenced by media stories) is different from that of those involved in dealing with problems. There was a wide spread of opinions, both in responses and interviews. Some debtors, as noted above, felt it was not available as an option for them, especially if they were on social security. Others had experienced bankruptcy; one felt rushed into it (following a suggestion from a doorstep debt-collector !) but had not found it an easy "way out" because of the consequences; another also found that it did not bring an end to problems (at least in the short term) but felt she should have gone bankrupt well before she did so, thereby avoiding some of her difficulties. Some creditors did feel that the restrictions put on bankruptcy in 1993 were necessary to halt the "gravy train", with accountants seen as jumping on the bandwagon for personal gain by encouraging people to see it as a soft option. One in particular was very concerned that it had become an easy option with even customers with perfect payment records being declared bankrupt; another, however, recognised at a personal level that he would find it hard to contemplate for himself. One adviser felt that bankruptcy had remained a distressful experience, never easy, while another admitted a sense that money advisers may have been too keen to encourage people into bankruptcy without making them aware of the full consequences. Concern was expressed at the

<sup>20</sup> Chi-square value 21.16;  $p < .05$

<sup>21</sup>  $R = -0.62$  &  $-0.63$

<sup>22</sup> Chi-square value 42.55;  $p < .05$



difficulties of access to bankruptcy post-1993, especially since it had been made financially unattractive to eg solicitors to become involved.

Q19 : "People who have been bankrupt shouldn't be allowed to borrow money again"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
2.63	3.14	4.43	2.86	3.48	1.71	2.60	3.25	2.80

Again the pattern of widely different responses to bankruptcy<sup>23</sup>, with debtors apparently not generally seeking to exploit an easy way out. The concept of personal responsibility appeared in comments like "you should learn from your experience" and "once you've served your time it should be over".

#### Factor 1 - Summary

Overall, there does seem to be an understanding of personal responsibility running through responses to the above questions. These questions also tend to have a relatively high correlation with age (except Q9)<sup>24</sup>, suggesting either traditional values less strongly held by younger respondents, or the reduced need for credit and likelihood of debt among older people (as found by the PSI report), or attitudes arising from less experience of debt. There were some signs in interviews that people are more heavily influenced by experience, either personally or through the media, in their general perceptions, than by general (moral) principles.

Drawing on the factor analysis, "factor scores" were obtained by multiplying answers to Q1-19 by the factor loading for each factor, giving an indication of the strength of that factor for each respondent. Figure 1 compares the average factor score for each group. This shows a significantly<sup>25</sup> greater emphasis on personal responsibility among the Woman's Guild group (lower scores indicating agreement with statements stressing this), with personal responsibility apparently seen as much less important by advisers. Indeed, a general tendency emerged for those who knew most about people with debt problems to place less emphasis on personal responsibility than did "outsiders".

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<sup>23</sup> Chi-square value 35.27;  $p < .05$

<sup>24</sup> Average  $r = 0.44$ , when no other question has a correlation value with age of  $> 0.4$

<sup>25</sup> Variation Ratio (VR) = 7.97;  $p < .01$



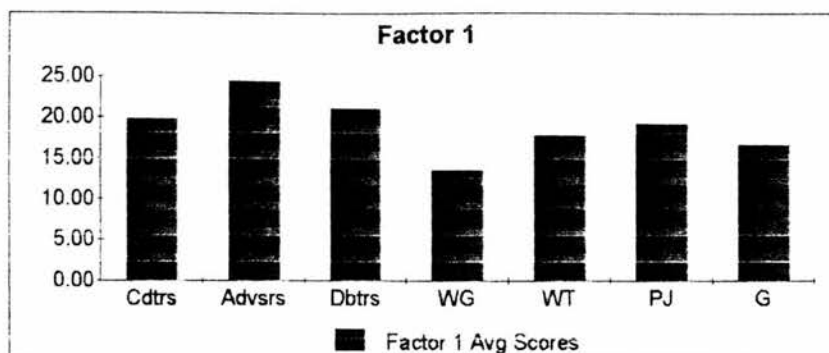


Fig 1

### Questions Loading Highly in Factor 2 - Creditor Responsibilities

#### Q6 : "Obtaining credit is far too easy these days"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
1.51	1.71	1.43	2.43	1.86	1.08	1.20	1.50	2.10

A strong element of agreement emerged throughout here<sup>26</sup>, with the debtors and unemployed/retired group showing some doubts. Two advisers complained of lack of restraint by lenders, especially regarding mortgages, while another recognised the necessity of credit to some people, concluding that credit unions are important (one of the debtors had been involved in starting a credit union, which she felt was very worthwhile). Among creditors, where agreement might not be so predictable, there was a variety of views, from one who thought that credit should be sold like any other commodity (such as double glazing or cabbages) to those who regretted the competitive pressures on eg banks towards selling credit, with banks as institutions and bankers as individuals seeing their interests as salesmen in selling as much credit as possible. One pointed to a move from credit rating based on income and expenditure to one based on past record in handling credit, while another saw the inclusion of overtime as income as crucial to over-expansion of credit. Several were critical of credit-pushing by shops (including interest-free credit), especially to young people. There was a distinct sense of a new approach to lending worrying some who had been trained to a more cautious approach, though some felt that a realisation of the extent of bad debt had led institutions more recently towards a swinging back of the pendulum. Debtors were also divided, with some aware that credit was not easily obtained by all (having themselves experienced difficulty "unless you lie"), others aware that choices can be very restricted for the poor, but some still concerned at what they felt was made available even to those not working.

<sup>26</sup> Chi-square value 19.62;  $p > .05$

There was concern that people should be treated "equally" in the supply of credit, and some feeling that this was not so. The only comment made (unprompted) about the Social Fund was by a debtor who felt it was a great thing "if you can get money out of them". Perhaps significantly, one creditor reported a substantial increase in pawnbroking business since 1990. It had become a big business (with the largest English firm recently taken over by an American company), dealing with those who probably had difficulty getting credit elsewhere. There was still, he felt, an element of shame felt by first time customers, though much less than in the past.

Q7 : "There should be legal limits on the interest that lenders can charge"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
1.39	2.29	1.17	1.29	1.60	1.17	1.10	1.50	1.70

Significant variation here<sup>27</sup>, with creditors (not surprisingly) least amenable to legal limits, amid a general enthusiasm for such limits (despite some awareness among advisers of the problems raised by these). One debtor felt that some "come and go" about payments was more important than interest rates, while an adviser was concerned at the way doorstep collectors could exert pressure and avoid concern about interest rates through becoming a "friend". Although one adviser said that the market does not operate perfectly, creditors were more willing to leave matters to market forces; it "went against the grain" to have legal limits, which could lead to a credit freeze, and credit controls of any sort were likely both to blunt the creative urge and to prove ineffective because "money will find a way round". One creditor also stressed the special problems of applying limits to small loans where overheads were high.

Q10 : "Any company lending money should check first whether the person can afford to repay the loan"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
1.36	1.43	1.67	2.00	1.70	1.08	1.20	1.50	1.40

Strongest level of general agreement with this statement<sup>28</sup>, with debtors expressing mild reservations (in terms of intrusive questions). One creditor again expressed reluctance about legal enforcement of this, interference with the market again being seen as stifling creativity. Another saw problems as rooted in the division of responsibilities among salesman, retailer and finance company, with the

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<sup>27</sup> Chi-square value 21.98;  $p < .05$

<sup>28</sup> Chi-square value 13.52;  $p > .05$

salesman having considerable incentive to push credit, and little connection with any problems that might arise); it was seen as important to deal with people, not lending targets. A significant correlation<sup>29</sup> appears to exist between this question and church involvement, with those most involved most in agreement.

### Factor 2 - Summary

Q15, which only just loads significantly in this factor, is discussed under factor 3, where its loading is noticeably higher. All of the statements which are discussed in this section were substantially agreed with by most of those interviewed, showing a hostility to a "free" credit market. The common factor would seem to be a concern with the granting of credit, with a consensus that the "free" market of recent years gave rise to problems which might justify intervention in the way the market operates. Although the terms were not used, it would be reasonable to interpret this in terms of dissatisfaction with the justice of the market, having in mind wider concepts of justice. The factor scores for this factor (see figure 2) reveal some significant<sup>30</sup> divergence of view between - at one extreme - debtors, and the Woman's Guild group at the other, with the latter keenest to see creditors and/or the law enforce more restraint in lending. Debtors were not so inclined to see the answer to problems as lying in restrictions on lending; they (and, to a lesser extent, the unemployed / retired group) were perhaps more conscious of *de facto* restrictions already operating.

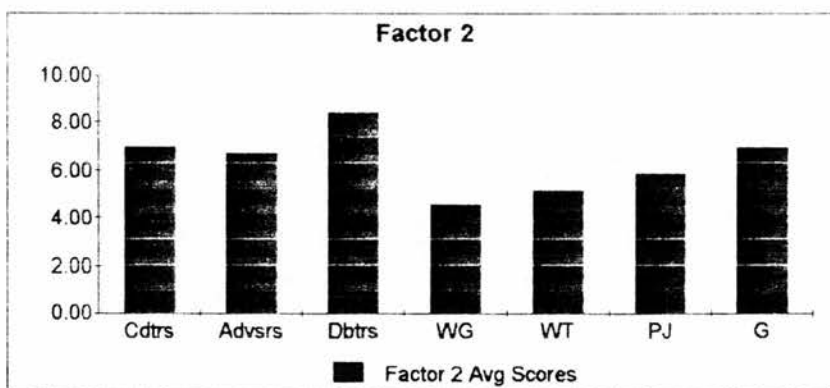


Fig 2

### Questions Loading Highly in Factor 3 - External (Societal) Factors

Q1 : "On the whole, people who have been in trouble with debt are just those who have been unlucky"

<sup>29</sup>  $R = 0.51$

<sup>30</sup>  $VR = 5.77; p < .01$

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G	Pr
3.52	4.43	3.43	4.00	3.95	4.04	3.10	3.25	1.90	3.50
Group				%Agree	%Disagree		%Don't Know		
Creditors				0	100		0		
Advisers				29	57		14		
Debtors				0	71		29		
A&W Control <sup>31</sup>				17	76		7		
A&W Debtors				71	29		0		
Rock London <sup>32</sup>				35	60		5		

Much of the significant variation here<sup>33</sup> comes from the unemployed/retired group (the only group tending toward agreement with the statement). Again, the debtor respondents here seem different from Adler & Wozniak's; as elsewhere, it may be significant that all the debtors surveyed here were contacted through their having sought help (of varying sorts), while A & W's were contacted through court records. There may also be an underlying difficulty in defining what constitutes luck: one respondent wanted to stress that losing one's job was not to be seen as a matter of luck (as will be noted below, interpretation operates at two levels here - the interpretation of what is the key event, and how that event is perceived).

Q2 : "On the whole, people who are in trouble with debt are the poorest in the community"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G	Pr
3.25	3.57	3.00	3.29	3.29	3.58	3.60	3.75	1.78	2.86
Group				%Agree	%Disagree		%Don't Know		
Creditors				29	71		0		
Advisers				43	29		29		
Debtors				29	43		29		
A&W Control <sup>34</sup>				25	70		4		
A&W Debtors				42	58		0		
Rock London <sup>35</sup>				26	73		1		

<sup>31</sup> Adler & Wozniak, 1981, p231

<sup>32</sup> Rock, 1973, p15

<sup>33</sup> Chi-square value 34.94;  $p < .05$

<sup>34</sup> Adler & Wozniak, 1981, p231

<sup>35</sup> Rock, 1973, p15

Again there was a significant difference<sup>36</sup> in the responses from the unemployed/retired group (possibly the most "deprived" group, apart from the debtors, although no formal attempt was made to assess the social background of respondents), who were clearer about affirming the link between poverty and debt; advisers also showed a greater agreement with this link than any of Adler & Wozniak's respondents. In interview, advisers generally felt that the poor have most problems, and that most of the problems are with poor people, but that there were affluent people (sometimes in changed circumstances) with severe problems (one specifically mentioned problems with personal guarantees of business loans). There could of course be some selectivity with regard to which groups of debtors are likely to seek advice and with regard to which kinds of debt different creditors deal with. Certainly creditor responses generally reflected different experiences, eg as between fuel debt (close link with poverty, though not exclusively so) and banking debt (not poverty-linked as the poorest are "unbanked"). Some impact of media stories of affluent bankrupts and credit card "binges" may be seen here.

Q13 : "Debtors who can never realistically be expected to catch up with their debt payments should by law be offered a way out that lets them start again"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
2.26	2.71	1.71	2.14	2.19	2.38	2.50	2.50	1.80

There was fairly clear general agreement with this statement<sup>37</sup>, particularly strongly from advisers, with more reservation from creditors. There was less correlation than might have been expected<sup>38</sup> between this question and Q15 (which initially seemed similar in thrust), which may reflect the impact nuances of wording have on results; debtors in particular may have been more attracted by a solution offering a chance to "start again" than by explicitly seeking writing off. Creditors' comments on the two questions were similar, and suspicious of a "way out" while recognising a need in some cases for a chance to "start again".

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<sup>36</sup> Chi-square value 21.61;  $p < .05$

<sup>37</sup> Chi-square value 9.99;  $p > .05$

<sup>38</sup>  $R = 0.44$  overall, significantly less - 0.27 - when only the CAD responses are considered

Q15 : "When someone really can't afford to pay their debt, they should have to make regular payments which they can afford and the rest of the debt should be written off"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
2.39	3.00	2.21	3.43	2.88	2.46	2.10	2.00	1.70

It seems surprising that the lowest level of agreement with this statement came from debtors<sup>39</sup>. It does not appear to be an expectation of debtors that any of their debts will or should be written off; "you should pay what you owe however long it takes". If debts were written off, people would abuse the system, getting further credit elsewhere. Some creditors were also uneasy about relaxing the sense of obligation to pay, but realistic in recognising that "you can't get blood out of a stone", and it may cost the creditor more to collect than the value of the debt. Perhaps creditors and advisers share a realisation that substantial amounts are in fact written off regularly - a fact fairly successfully concealed from debtors. One adviser was concerned that writing off was unfair to those who do pay, confessing to having had personal difficulty in retaining impartiality regarding eg community charge debt.

### Factor 3 - Summary

Q18 is considered below, under factor 4, where it loads more highly. While the suggested theme for this factor, of looking to factors external to the contracting parties, at the stages of both cause and solution, does still seem plausible, it clearly does not represent a clear determination of most respondents to look beyond the debtor and creditor for the main causes or solutions. However, there is a recognition that a fresh start for the struggling debtor does require some intervention, demanded by justice. The factor scores shown here (in Figure 3) suggest some tendency<sup>40</sup> for the unemployed / retired group to look more to external, social factors, with the creditors and Woman's Guild less willing to look beyond the responsibility of debtors and/or creditors for explanations or answers.

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<sup>39</sup> Chi-square value 19.54;  $p > .05$

<sup>40</sup> VR=6.05;  $p < .01$



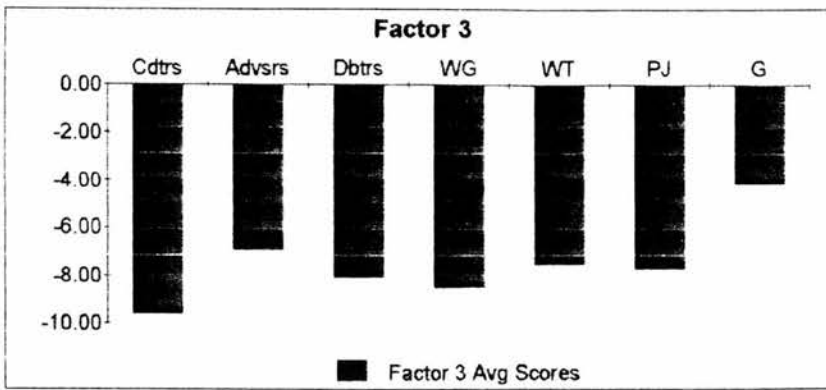


Fig 3

### Questions Loading Highly in Factor 4 - Basic Needs

Q5 : "People should make sure they have enough to live on before paying any money they owe"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G	PSI <sup>41</sup>	Pr
2.15	2.29	2.00	1.71	2.00	2.13	2.70	2.75	1.70	2.00	2.41

There was not a great deal of variation among groups here<sup>42</sup>. See comments on Q4, especially those noting the surprising lack of correlation between these two questions in both this and the PSI survey, tending to bear out the analysis above in linking this question with a sense of meeting basic needs more than an assessment of obligation to pay debts.

Q12 : "Debt would not be such a problem if social security benefits provided a fair amount to live on"

Avg	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
2.50	3.29	2.43	1.71	2.48	2.67	2.90	3.00	1.50

Again the debtors and unemployed/retired group show a greater level of agreement than others with this statement<sup>43</sup>, although a greater correlation might have been expected between this question and Q2<sup>44</sup>. One creditor drew attention to two "levels" of disagreement with this statement, ie debt is not exclusive to benefit recipients, and an increase in benefits would not necessarily solve the problem even for those on benefit. One adviser stressed the difficulty of distinguishing wants from needs as undermining the validity of the statement.

<sup>41</sup> Berthoud & Kempson, 1992, p127, results adjusted to be directly comparable

<sup>42</sup> Chi-square value 9.24;  $p > .05$

<sup>43</sup> Chi-square value 16.1;  $p > .05$ , but, for the CAD group only,  $p < .05$

<sup>44</sup>  $R = 0.19$

Q18 : "Creditors should have to take account of the circumstances of people having problems paying their debts"

Avg	Cdtrs	Advtrs	Dbtrs	CAD	WG	WT	PJ	G
1.75	1.86	1.43	1.86	1.71	1.79	2.00	1.75	1.50

There was quite clear general agreement that this was "a good thing"<sup>45</sup> Creditors, generally, believed that they already did take account of personal circumstances, although one pointed to a tendency of some people with problems to stay out of contact when they (the creditors) would have been willing to come to an arrangement. Debtors, on the other hand, tended to report a reluctance of creditors to do so. This may reveal a communication problem of confusing signals being sent out (see below with reference to the case studies), and of different preferences in ways of communicating.

Factor 4 - Summary

The common factor here, of concern for a basic standard of living, seems quite clear. In the questions which drew attention to this, it was an important factor, though not one which people often brought to bear when the question did not refer to it. The factor scores shown in figure 4 display the two most deprived groups giving significantly greater priority to needs than those in more comfortable circumstances<sup>46</sup>.

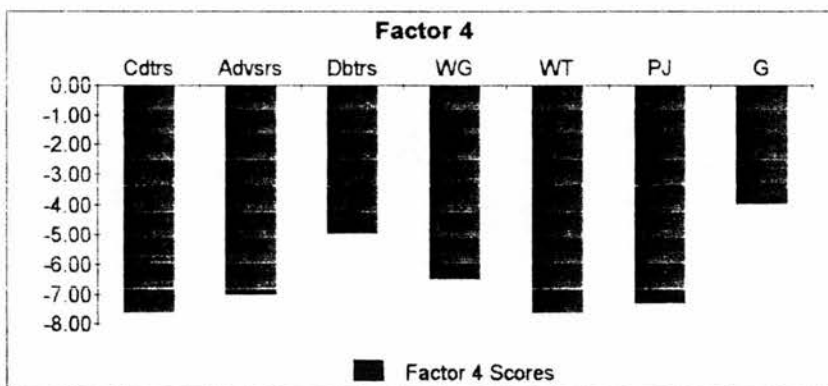


Fig 4

<sup>45</sup> Chi-square value 11.08;  $p > .05$

<sup>46</sup>  $VR=3.35; p < .05$

### Remaining Question

#### Q17: "People shouldn't borrow money if they can't afford to repay it"

Avg	Cdtrs	Advtrs	Dbtrs	CAD	WG	WT	PJ	G	PSI <sup>47</sup>
2.04	2.14	2.43	2.43	2.33	1.61	2.40	2.00	2.10	1.32

There was general agreement with the statement<sup>48</sup>, although advisers and debtors seemed to show more doubts that the PSI report's cross-section of respondents - "if the kids need clothes and you have a catalogue, what do you do?". One adviser also felt that the statement begs the question of whether people really know what they can afford when they borrow (in terms both of budgeting competence and unforeseeable changes).

### Reviewing The Original Clusters

Although the originally devised clusters do not seem to be borne out as assessing coherent viewpoints, they are not without validity. The "creditors' responsibilities" cluster is substantially reflected by factor 2 (with three questions common to both); all the "hostility to bankruptcy" questions are to be found loading significantly under factor 1 ("personal responsibility") along with additional questions, suggesting that views on personal responsibility may underlie attitudes to bankruptcy; "blaming the debtor" is not, it seems, as straightforward an issue as might be supposed, though some of the later questions do tend to give a measure of this (see below); "obligation to pay" is also more bound up in other matters than an important single issue<sup>49</sup>; and a "fresh start", while seen as necessary in some cases, is not perceived as a dominant concern. Attitudes, as measured here at least, are not as coherent as one might have expected; stereotypes rarely hold for long, and the values to be found in people's reactions are as complex as the issues themselves were found to be in the previous chapter.

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<sup>47</sup> Berthoud & Kempson, 1992, p127

<sup>48</sup> Chi-square value 8.78;  $p > .05$

<sup>49</sup> Despite being discussed as a cluster theme in the PSI Report

Other Questions (Pages 3 & 4 of Questionnaire)<sup>50</sup>

<u>Q21 - Credit is ...</u>	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G	PSI <sup>51</sup>
... a sensible way of buying	1	1	0	2	1	0	0	0	6%
... a convenient way of buying	2	3	1	6	0	7	1	2	12%
... occasionally necessary	4	4	6	14	14	3	3	5	37%
... never a good thing	0	0	0	0	9	0	0	3	43%
Score (1 / 2.33 / 3.67 / 5) <sup>52</sup>	2.91	2.83	3.47	3.06	4.06	3.04	3.33	3.80	3.85

These results are markedly different from those reported by the PSI survey (and by the NCC survey of 1979, also cited by the PSI report). They concluded an "overall impression of a view of credit which is at best cautious, at worst antagonistic"<sup>53</sup>. This new research suggests a less antagonistic, though not enthusiastic, view, also with most hostility to credit among older people; the commonest view (58%) is that credit is occasionally necessary. None of the CAD group felt that credit was "never a good thing", although the debtors were marginally less enthusiastic about credit than the other two groups. The creditors' response is perhaps less enthusiastic than one might have expected; one creditor said "personally, I would never borrow if I could possibly help it" ! Some advisers felt that it depended who you were talking to, or about; another felt that the controversy over the community charge had led to a change in attitudes to debt. One debtor seemed to speak for several in expressing strong hostility to credit in principle but a sense of being drawn into it by "necessity", such as the pressure to give the family a decent standard of living that did not make them stand out.

<sup>50</sup> Generally, comparisons of these with other question responses were difficult because of the format of the questions; see further under individual questions

<sup>51</sup> Berthoud & Kempson, 1992, p42

<sup>52</sup> For comparison purposes, mainly in the correlation matrix, answers were translated into a range from 1-5, ie (a) = 1, (b) = 2.33, (c) = 3.67, (d) = 5

<sup>53</sup> Berthoud & Kempson, 1992, 1992, p43

Q22 - Main reasons for debt problems ...

	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G	Tot	A&W	D&W <sup>54</sup>
(A) Unemployment	5	5	6	16	11	8	1	10	46	37	21
(B) Poverty/low income	1	4	7	12	7	7	3	6	35	23	13
(C) Illness	0	4	0	4	5	1	1	4	15	(10	0
(D) Marital Problems	0	2	1	3	1	1	0	1	6	(10	0
(E) Easy Credit	4	0	0	4	6	3	2	3	18	18	14
(F) Wrong Priorities	1	1	0	2	4	2	1	0	9	4	5
(G) Drink etc	1	0	1	2	11	2	0	5	20	29	11
(H) Lvg Bey'd Means	4	0	0	4	16	1	2	3	26	24	37
(I) Mismanagement	3	0	3	6	4	5	1	0	16	4	17
(J) Bad Luck	0	1	0	1	0	0	0	2	1	(4	0
(K) Ignorance	1	0	1	2	2	0	0	2	6	(4	0
(L) Dishonesty	0	0	0	0	0	0	0	1	1	4	4
(M) Inflation etc	0	0	3	3	1	0	0	3	7	6	6
(N) Other	0	1	0	1	0	0	1	0	2	11	2

Relatively few respondents took the offered opportunity to indicate any which they thought were not significant reasons: only bad luck and dishonesty scored more than five entries as not significant.

The responses were also classified among those which tend towards blaming the debtor (F,G,H,I,L), those which tend towards seeing the debtor as victim of circumstances caused by others (A,B,E,M) and other reasons (C,D,J,K), simply adding together the number of responses ticking each category and subtracting any crossed as not significant:

	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G	Tot	A&W	D&W
"Debtor as Victim"	9	9	16	34	24	17	6	21	103	84	54
"Debtor's Own Fault"	8	-2	2	8	31	7	3	3	52	65	74
Other	-2	5	-1	2	4	-1	-1	3	7	14	0

There emerges a strong tendency in these responses (as with A & W's sample of debtors, though not with their control group) to see the debtor as victim rather than cause of her/his problems, with unemployment and poverty viewed as the two main causes, and a general conviction that luck and dishonesty were not significant.

<sup>54</sup> Adler & Wozniak, 1981, p233

The Woman's Guild group and, to a lesser extent, creditors tended more than others towards seeing problems as "their own fault". One creditor felt that inflation in fact helps people cope with debt (clearly true of long-term large commitments like mortgages but less so of shorter-term "needs" borrowing). Another indicated that he would neither expect nor want to know of marital problems or other "really personal" business. One debtor felt strongly that drink was more likely to be a symptom or response than a cause of debt; one creditor (the pawnbroker) who argued for a link with drink and gambling admitted that this could be connected with the proximity of his premises to pubs and betting shops (without suggesting in which direction the causation operated). If unemployment and poverty are perceived as the major causes of debt, then solutions (and "justice") must relate to these rather than being restricted to the balance and contractual details of the creditor/debtor relationship.

#### Q23 - Justifications for not paying one's debts

	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
Ave No of Entries	2.14	2.71	3.57	2.81	2.41	2.67	3	3
Most Common	d	d	a	d	d	d	d	a

The question was ambiguous as to whether a moral or legal justification was being sought, and some respondents commented on this. At a legal level, there is a factual "right" answer of faulty goods (with some provision in certain circumstances for articles bought by spouse and goods sold under pressure). Most, however, appeared to treat the question as referring to moral justification. Faulty goods (68%) was the only one of the possible justifications cited by more than half of the respondents; it was also the most common response in Adler & Wozniak's version of this question (they asked people to think of reasons, rather than offering suggestions; the list of suggestions used here is drawn from their responses<sup>55</sup>). Lack of money and loss of job were next most commonly cited (48% & 46%), with the debtors and unemployed/retired group more likely than others to cite these. They also tended to see more items as justifying non-payment than the others, especially creditors (not surprisingly), did.

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<sup>55</sup> Adler & Wozniak, 1981, p245



### Q24 - Creditor Remedies

	Cdtrs	Advrs	Dbtrs	CAD	WG	WT	PJ	G
Ave No of Entries	4	2.71	1	2.57	1.54	1.7	3.25	1.5
Most Common	e	e	f	e	e	e	e	c/e/f
Rarest	g	b/g	most	g	g	b/g	b/g/i	g/h/i

Not surprisingly, creditors found more of the listed remedies acceptable, and debtors least, making this question the one conforming most strongly to stereotype. There did appear to be a correlation between the number of remedies reckoned as acceptable and church involvement - greater church involvement being linked with finding more remedies acceptable<sup>56</sup>. However, it may be more surprising that even creditors, on average, found only four out of the nine offered to be acceptable (eight are allowed by Scots Law). Indeed, while there was a recognition that some ultimate forms of restraint were necessary in the background, several creditors expressed reservations even about the remedies which they were familiar with using. One felt that repossession (under mortgage) was too easy and open to abuse, and another had "horrendous" experiences of repossession, with the anomalous position of being able to throw a family out on the street while being legally obliged to make provision for the family dog. Fuel disconnection was recognised as depriving a household of a necessity, and unhelpful to people with problems; fuel authorities were said to be doing this far less frequently, seeking alternative solutions. One creditor had never known of a warrant sale that raised enough to pay the debt; such remedies tend to add to the problems. Yet some advisers reckoned that there was no better alternative available, and that some such sanction was needed to avoid more people evading payment. An adviser felt that lack of enforcement often led to increased problems as debts mounted. There was hostility, especially among debtors, to the addition of interest charges on late payments, as making matters worse. Clearly, there were different approaches here according to whether one saw the starting point as a debtor with problems or the need to keep the system functioning; in that, we may glimpse an issue about justice (defined in terms of contract and "fairness", or in terms of helping those who are seen as victims). We may also see in doubts about various remedies a concern that the answer does not lie simply in effective remedies; there may be room for creative forgiveness.

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<sup>56</sup> R= -0.69

Q25 (a) "The single change of policy I'd like to see affecting debt problems is ...

Four creditors referred to a need for restrictions on credit here - restraint of "inappropriate" credit and unsolicited promotion of loans, control of credit cards and a return to previous credit controls were all advocated - and one sought continual review of bankruptcy legislation. The advisers were more diverse; one sought an "enforcement agency" on the Northern Ireland model to avoid the problems of negotiating with individual creditors, another merely advocated greater use of money advisers as intermediaries, one spoke of wealth redistribution and another of increased benefit levels, one sought a move towards a US-style bankruptcy system, while another advocated the end of warrant sales and poindings. Debtors were less articulate about specific solutions, speaking of "more help" for debtors and people in need, more concern for personal circumstances and the possibility of a "second chance" for people written off by others. What seems to emerge is an unease about "easy" credit among creditors, advisers generally seeking detailed changes in ways of dealing with debt, and debtors feeling powerless but seeking help.

Q25(b) The thing I think most unfair about debt these days is ...

There was less contrast between the three groups here. Interest rates (especially default rates) were mentioned by some in each group; wealth disparities and benefit levels were mentioned by advisers and debtors; and several felt it too easy to get into debt. Creditors spoke of the "pushing" of credit as unfair, and one spoke of a lack of neutral, easily-accessed counselling. Advisers spoke of creditor harassment of debtors and unwillingness of those who push credit to take account of circumstances when problems arise. Debtors spoke of the treatment of debtors "like dirt" and the way people think of debtors. Thus, there were areas of shared concern in relation to policy, and concerns about the treatment of people articulated in different ways by different groups. Unfairness is felt at different levels, from the personal to the macro-economic.

### Case Studies<sup>57</sup>

#### Questions (these were applied to each case study)

Please indicate your reaction to these statements with regard to this case, ie  
1=strongly agree, 2=agree, 3=unsure, 4=disagree, 5=strongly disagree

1. "This is a typical case of debt problems" 1 2 3 4 5
2. "This person brought the problems on her/himself" 1 2 3 4 5
3. "There should be a better way of dealing with problems like this" 1 2 3 4 5

4. Which of the following do you consider the main cause of debt problems in this case (please tick one)

- (a) Economic circumstances beyond the debtor's control
- (b) Non-financial circumstances eg marriage problems, illness
- (c) Bad management by debtor
- (d) Irresponsible lending (or extending of credit) by the creditor
- (e) Poor communication between debtor and creditor
- (f) Bad luck
- (g) Other .....

5. Is there anything in this case that you consider unfair ?

6. Is there any other information you feel would help you judge the rights and wrongs of this case ?

7. How might the law deal with cases like this better ?

<u>(A)<sup>58</sup> Results<sup>59</sup></u>	Q1	Q2	Q3	Q4Vic	Q4Own	Q4Oth
Creditors	3.14	2	2.33	0	5	2
Advisers	2.43	2.83	2	1	1	5
Debtors	2	2.67	1.14	3	1	4
Ave/Total	2.52	2.5	1.83	4	7	11

Debtors were more inclined than others to see this situation as typical; it had the highest level of agreement with the statement seeing the problems as having been brought on by the debtor (though only marginally agreeing); creditors especially saw it as the debtor's own fault; but the commonest main reason given

<sup>57</sup> See appendix 1 for the case study scenarios, which were only used with the CAD respondents

<sup>58</sup> Case study adapted from Adler & Wozniak, 1981, p289

<sup>59</sup> For all of the case studies, results given are averages for each group for Q1-3, and totals for Q4 grouped (as in Q22 above) as "debtor as victim" (answers a,d), "debtor's own fault" (c), or "others" (b,e,f); (g) answers were classed, where possible, as appropriate. Some gave more than one "main reason" in Q4

was poor communication. Several advisers recognised in this story a common "ostrich syndrome", partially brought on by an assumption that creditors will be less flexible than they often are in fact. One adviser felt the creditor's failure to communicate adequately was unfair, while another felt the warrant sale and pouncing were unfair; most recorded nothing as unfair. Only one adviser expressed a desire to know what the original debts were for, though another wanted to know full details of income and expenditure before making an assessment. Suggestions for better solutions ranged from "breathing space" for debtors to get help before warrant sales, legal help for debtor/creditor communication, an enforcement agency to reschedule debts in light of all commitments rather than individual creditors, and earnings arrestment. Clearly, the "poor communication" could be interpreted in different ways; one creditor spoke of debtor ignorance running all through the story, while others saw the creditor as at fault for failing to communicate properly. Again the warrant sale was picked out by one creditor as unfair, while another pointed to the "buy-out" loan; some creditors wanted to know more financial details about the size of the original debts, about home ownership, savings etc. As solutions, one creditor advocated greater legal responsibility on creditors to check ability to repay, and to communicate effectively, enforced through restricting creditors remedies where these are not carried out. Other suggestions were of compulsory debt counselling and restrictions on buy-out loans. Among the debtors, two thought the warrant sale and pouncing unfair (speaking from personal experience), two referred to pressure, and one felt the wife should have helped out more; one thought the separation "unfair" but typical. Two thought better advice was needed, while another advocated a system of paying "an amount he could afford every week".

<u>(B) Results</u>	Q1	Q2	Q3	Q4Vic	Q4Own	Q4Oth
Creditors	2.29	4.14	1.71	3	0	4
Advisers	2.43	4.5	1.67	5	0	2
Debtors	1.5	4.33	1.14	2	1	5
Ave/Total	2.07	4.33	1.51	10	1	11

Of all the cases this had the highest rating as typical, the strongest feeling that there should be a better way of dealing with such problems, and the highest level of disagreement with the suggestion that the debtor brought the problem on herself. The commonest reason given as the main cause of the problems was "economic circumstances outwith the debtor's control". Several also mentioned the

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<sup>60</sup> Case study adapted from personal experience via college access fund

delay in communicating the loss of benefit as crucial, and many considered it unfair. Almost everyone found something unfair here - from the original marriage break-up, through benefit levels and rules, to the advice of the council official to take up a buy-out loan. It was apparent that Jean elicited special sympathy because she was attempting to improve her own situation when everything seemed to turn against her, and seemed to be on the verge of getting back into the "vicious circle" if she stopped her course; she was seen as an example of the "poverty trap". Better advice was again seen as important to dealing with such situations, although two debtors also mentioned the absent husband's responsibilities (interviews were carried out at a time when the Child Support Agency was being widely publicised). Several creditors mentioned "pinning the (presumed) husband down" as how the law could deal better with the situation, but benefit rule and level changes were also seen as important by some. Two creditors and one adviser also felt that she should have checked out her financial position before starting the course; two advisers queried the propriety of the eviction order.

<u>(C)<sup>61</sup> Results</u>	Q1	Q2	Q3	Q4Vic	Q4Own	Q4Oth
Creditors	3.14	2.67	2.2	2	5	4
Advisers	2.71	3.17	1.83	5	0	4
Debtors	2.33	3	1.86	2	2	3
Ave/Total	2.73	2.94	1.96	9	7	11

This case showed the highest number of responses suggesting the main cause as something that was the debtor's own fault, but this was still less than the number seeing the debtor as victim; the commonest "main reasons" given were economic circumstances and bad management (mainly seen as such by creditors). There was a wide spread of opinion as to how typical this case was, largely dependent on different people's experience - from one creditor with banking experience in London who found it highly typical, to the debtor who "didn't know anything about mortgages and suchlike". Two creditors felt the story unlikely in terms of the bank's behaviour (though it was a "true" story culled from a magazine article). While the debtor was felt to be sailing too close to the wind, the bank's action in seeking repossession were condemned as not even in their own best interests. Their lending policy was also felt to be at fault in the early parts of the story (some wanted to know more of the details of this before judging). One creditor felt that repossession should be more difficult for lenders to gain, but there were few other ideas of better

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<sup>61</sup> Case study adapted from magazine article by the debtor concerned

ways to deal with is situation. One adviser stressed the powerless of the debtor to influence matters, and suggested a continued occupancy on a fixed "fair rent"; another adviser suggested bankruptcy. Debtors generally joined in the condemnation of the bank's refusal to wait, but otherwise found it hard to comment (none of the debtors had had a mortgage). They tended to see the loss of his job as crucial to the situation. While several respondents saw the debtor as contributing to his own problems, there was some feeling that "this is how young people are" and that the lender was equally at fault in assuming overtime as income (and the joint income of a couple when the relationship was not stable).

<u>(D)<sup>62</sup> Results</u>	Q1	Q2	Q3	Q4Vic	Q4Own	Q4Oth
Creditors	3	4	1.86	1	2	3
Advisers	2.71	4.17	2.33	3	2	4
Debtors	2.5	3.67	2.4	1	2	3
Ave/Total	2.74	3.94	2.2	5	6	10

This was rated as the least typical scenario (mainly because of the taking on of the grandmother's debt), and the one with weakest support for finding a better way of dealing with such situations (though still - just - typical, and one which could be dealt with better); it is probably the only one in which a positive intervention in support of the debtor is important to the narrative. The fictional "twist in the tail" involving drink and the children was added to see the extent it might influence reactions to an otherwise "true" story. Few saw it as important to their assessment - generally a symptom rather than a cause, or "part of the vicious circle". However, the commonest "main reasons" were bad management by the debtor and non-financial circumstances (several added as (g) the taking on of the loan, and nearly all saw this in some way as the crucial event). One adviser advocated the non-enforcement of credit debt against benefit claimants, as in Northern Ireland, as a legal solution; another felt the help needed was not legal. There was certainly considerable agreement that this debtor needed a lot of help. Several felt a basic injustice in the taking on of a loan that was not hers, and in the failure of the creditor to inform her of this. One creditor admitted that she would not have turned down the offer to take on the loan, or explained the lack of legal obligation, but would not take measures against the "debtor" when problems in paying emerged. Although there was consensus about this as the crucial basic cause it was variously interpreted

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<sup>62</sup> Case study adapted from NCH, 1992, p28



as "bad management by the debtor", poor communication, or unfair treatment of the debtor, some feeling that it was crucial whether the creditor claimed the debtor was responsible for her grandmother's loan, while others were more interested in why she felt herself responsible. Two debtors were the strongest in judging the debtor here; one felt her taking on the loan was unfair on her own children (while recognising that "it might have made her more stressed if she hadn't"), while another was the only person whose assessment was based on the drinking episode at the end of the story. One debtor had particular sympathy for the debtor in this story because she had experience of taking on a family debt.

<u>(E)<sup>63</sup> Results</u>	Q1	Q2	Q3	Q4Vic	Q4Own	Q4Oth
Creditors	2.29	3.71	2.14	1	1	5
Advisers	2.43	4.58	1.67	1	0	6
Debtors	2.17	4.20	1.17	1	0	6
Ave/Total	2.29	4.17	1.66	3	1	17

Non-financial circumstances were seen as crucial here, almost everyone referring to the accident and illness of the debtor's daughter, with hardly any feeling that the debtor brought the problems on himself. Poor communication by the creditor was also frequently mentioned as unfair. Some advisers (and one creditor) pointed to the help that should have been available with travelling expenses to the hospital (one debtor said that few claim this even if entitled), and some to problems with the procedure or the principle of the warrant sale, but alternative legal solutions were not widely suggested, and one adviser pointed to an increase in warrant sales recently (or at least in court orders paving the way for them, and reinforcing the threat of them, even if they don't actually happen). One creditor suggested a professional assessment of how realistic offers of payment are, and another that court action should not be available to those who ignore offers to pay.

### General Reflections on the Case Studies

(1) The following chart (Fig 5) shows the responses of the different groups to the question as to whether the debtor brought the problems on her/himself (high scores indicate disagreement with the statement that debtor brought problems on her/himself):

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<sup>63</sup> Case study adapted from Adler & Wozniak, 1981, p275

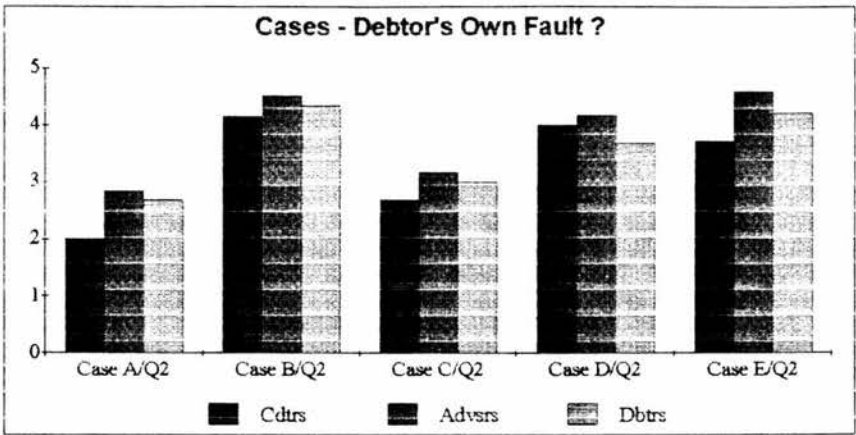


Fig 5

The advisers, as a group, consistently showed the least tendency to see the debtor as having brought the problem on her/himself, and the creditors (except in case (D)) were generally most likely to blame the debtor.

(2) The correlation matrix does not show strong overall correlations between responses to the same questions in different case studies, suggesting that people responded to the individual case stories rather than bringing dogmatic views to bear. In this context, media highlighting of "injustices" is highly influential, even, to some extent, among those with personal experiences of debt problems which are different from cases presented by the media as typical.

(3) Figure 6 shows the number of times each option was identified as the "main cause" of the problems over all the case studies.

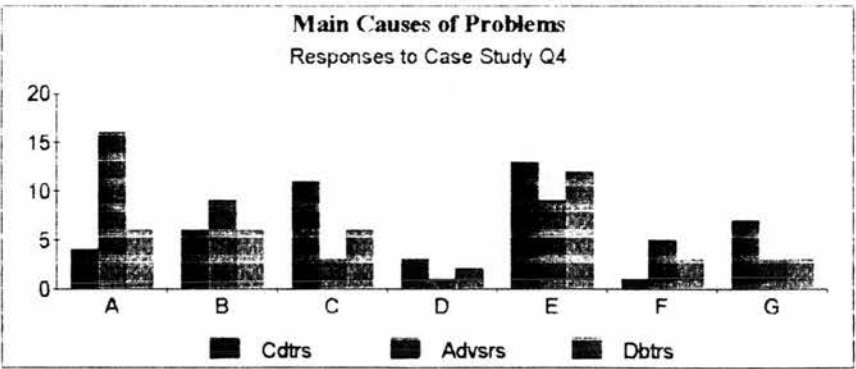


Fig 6

Advisers were clearly more likely than the others to ascribe difficulties to economic factors beyond the debtor's control; creditors tended to look to bad management (by the debtor) or communication; and debtors also fixed on poor communication as a major factor. Bad management by the debtor was equal second among causes identified by debtors.

(4) There are some problems of interpretation, eg where loss of job was seen as the crucial factor this could still be seen by respondents as coming under a variety of headings eg "economic circumstances beyond the debtor's control" or "bad luck". This may not be as much of a problem as it seems so long as we remember that what is being measured is people's *interpretation* of what they see as key events.

(5) There did seem to be some general characteristics of approach, in that, broadly, advisers tended to pick out practical details which offered chances of improving the situation, creditors were most aware of the wider economic context, and debtors had the strongest sense of unfairness, without having many concrete proposals to offer for change.

(6) There was, in some of those interviewed, a reluctance to generalise - "all debts are different" said one debtor, and an adviser stressed the need to treat every case as individual, rather than pigeonholing. This also tends to lead to greater interest in individual "solutions" rather than in major structural changes which might prevent debt problems arising but don't solve the problems of the presenting debtor.

### Conclusions

Although age does appear to be a significant factor in influencing responses to some questions - as noted above and in such other research as the PSI Report - the correlation matrix suggests that church involvement is much less so. There is no basis either statistically or in the interview responses for any strong link being made between faith and the values at work here.

Related to this, one strongly expressed response from several people (both advisers and debtors) seemed important to this thesis in general. Faced with questions referring to "judging the rights and wrongs" of situations, many said they did not want to get involved in such things. Among debtors, this seemed to represent a reluctance (in some, though not all) to judge (or be seen to be judging) other debtors, the assumption being that judging the rights and wrongs was equivalent to judging individual people. Among advisers, there was a sense that judging clients was a fundamental breach of good practice, that judging debtors or creditors was a waste of time when the important thing was not to ask why the problem had occurred but what could be done to sort things out, that "there are no rights or wrongs in debt cases", or even that asking "moral questions" was not worthwhile since the courts were only interested in technicalities and tactics. To some extent this was seen as an antidote to media reinforcing judgment of the poor, and to the arbitrary judgments of some creditors (one adviser quoted a creditor's description of

a debtor as "she's not a nice person; she goes out drinking and has cable TV"). To a greater extent this refusal to "judge" is both principle and practice of advice, where impartiality is seen as crucial for credibility and effectiveness, rather than advocacy, a role which might involve a clear siding with the debtor/client. There may be some tensions in the field of money advice between these two roles, and advisers may not always be as free from judging in practice as they might claim, but the challenge to anyone seeking to carry out ethical reflection (especially in terms like "justice" and "forgiveness") is real if Christian ethics is to mean more than the condemnation of individual sinners.

Words like "justice" and "forgiveness" did not come readily to most respondents. Several did have a strong sense of things not being fair, and one creditor spoke for several respondents in saying that "a sense of injustice was brought out by the case studies", but the response was predominantly to seek to help the individuals involved rather than to change the system. When prompted, some found it hard to pin down a meaning for "justice" in this situation. One creditor stressed the limitations of "legal" justice in coping with a complex and fluid situation; the system, he felt, adapts itself, through checks and balances, towards a "voluntary" justice (although inbuilt interests can mean that some suffer more than others in the process). Another felt that justice might refer simply to the unfairness of failing to keep an agreement once made, or to a way of sorting out problems that seemed fair from both sides. This last would seem to fit with the "impartial" non-judgmental stance of most advisers (though not articulated by them in this way). One adviser spoke about justice as having to do with power and powerlessness in face of officialdom, where debtors feel a sense of being judged and ill-at-ease.

Amongst both debtors and advisers, there were some who saw debt as a symptom of an "unjust" society (stressing the need for a fresh start), and, as already noted, a strong sense of individual injustices. But there was still a vagueness about this. For example, to one debtor, the lack of access to credit for the unemployed was an injustice symptomatic of unequal treatment, while, to another, the pushing of "easy" credit on those likely to have problems in repaying was itself an injustice. As is explored elsewhere in this thesis, participation may in some ways be an ingredient of justice which is particularly important in this context.

Hope, too, is a dimension in the background of this study. Few expressed hopes of structural changes, and debtors in particular had low expectations of real change, either structurally or personally; what was expressed, often forcefully, was considerable frustration.

Forgiveness was hardly a concept which figured in most people's perceptions. The absence among debtors of any expectation of debts being written off has already been noted. One creditor did speak about the way in which debt forgiveness had entered into commercial currency when banks came to accept an element of pragmatic debt forgiveness regarding Third World debt, but felt this had to be limited, piecemeal and carefully calculated in terms of costs and benefits; forgiveness as a gift would undermine the system. In fact, that may be part of its attractiveness, but no-one in this survey was arguing for that.

However, some were keen to advocate the need for a fresh start (although bankruptcy remains a controversial area, as noted above), and many spoke of debt as a vicious circle out of which people had to be helped to break. It is in these ideas that the need arises to explore forgiveness in this economic context. But there are problems - forgiveness is not a concept in common currency here, and may be felt to carry an implication that the debtor is to blame. And that issue of blame, its appropriateness and its usefulness, has been crucial in this research. What meaning (if any) can we give to the term forgiveness if we see the debtor as victim rather than culpable, and should we be talking, as one creditor suggested, about what it might mean to "forgive" banks etc for bad lending policies which have led people into debt?

Perhaps there may be some help here in the remarks of the creditor who saw "how you deal with people" as the link with faith in this area; as in other areas, relationships are crucial, but not an excuse either to privatise the issues or to eliminate the socio-economic dimensions.

The individualism noted in the previous chapter as characteristic of most research was also evident here, at several levels. The urgency for advisers and debtors (to a lesser extent for creditors) is how to deal with the individual case, to solve the particular problem (if possible) rather than the problems of the world. Most people treated debt as a problem for individuals rather than for the community as a whole. The responses found here are primarily to individual situations rather than operating a coherent system of values; what has been done in this research is to seek out underlying values - personal responsibility, "responsible lending", social factors and the meeting of basic needs - which were rarely articulated. Indeed the most significant factor found influencing responses was personal (individual) responsibility.

That is certainly not to say that wider concerns of social justice were not raised, and the three other factors found in the analysis all have clear public policy dimensions. The need for purposeful ethical reflection in this context is greater than this analysis of responses may indicate: the statistics don't communicate as clearly as the conversations with all three of the groups interviewed the desperate problems of many, many people. Nor does the relative infrequency of use of the language of justice and forgiveness undermine the importance of the issues raised; what remains to be seen, and is challenged by this research, is whether Christian ethics can make a useful contribution, not only to discussion but also to change, via that language. If the language is not being used, has it lost any value it may have had?

On the other hand, the clear sense of injustice here does not eliminate the complexities and difficulties of how we may use the language of justice and forgiveness in this context, which are graphically illustrated by a story from one of the creditors interviewed. After a lengthy process of dealing with a client's mortgage problems came to a mutually satisfactory solution, the client wrote to him, with no intended irony, that "I will be forever in your debt"!



## 2. Appendix 1 - Debt Questionnaire

Please indicate your response to the following statements, ie 1=strongly agree, 2=agree, 3=unsure, 4=disagree, 5=strongly disagree

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| 1. "On the whole, people who have been in trouble with debt are just those who have been unlucky"  | 1 | 2 | 3 | 4 | 5 |
| 2. "On the whole, people who are in trouble with debt are the poorest in the community"  | 1 | 2 | 3 | 4 | 5 |
| 3. "People who are in trouble with debt do not know how to run their lives properly"   | 1 | 2 | 3 | 4 | 5 |
| 4. "People should pay the money they owe right away even if that means going short on other things"  | 1 | 2 | 3 | 4 | 5 |
| 5. "People should make sure they have enough to live on before paying any money they owe"  | 1 | 2 | 3 | 4 | 5 |
| 6. "Obtaining credit is far too easy these days"   | 1 | 2 | 3 | 4 | 5 |
| 7. "There should be legal limits on the interest that lenders can charge"  | 1 | 2 | 3 | 4 | 5 |
| 8. "People who don't pay their debts are dishonest"  | 1 | 2 | 3 | 4 | 5 |
| 9. "I would look upon someone differently if I found out he had been made bankrupt"  | 1 | 2 | 3 | 4 | 5 |
| 10. "Any company lending money should check first whether the person can afford to repay the debt"   | 1 | 2 | 3 | 4 | 5 |
| 11. "Social workers should take over the budgeting responsibility of people who are in debt"   | 1 | 2 | 3 | 4 | 5 |
| 12. "Debt would not be such a problem if social security benefits provided a fair amount to live on"   | 1 | 2 | 3 | 4 | 5 |
| 13. "Debtors who can never realistically be expected to catch up with their debt payments should by law be offered a way out that let's them start again"                | 1 | 2 | 3 | 4 | 5 |
| 14. "People only pay whatever they owe because they are afraid of what would happen if they got caught for avoiding payment"   | 1 | 2 | 3 | 4 | 5 |
| 15. "When someone really can't afford to pay their debt, they should have to make regular payments which they can afford and the rest of the debt should be written off" | 1 | 2 | 3 | 4 | 5 |
| 16. "Bankruptcy is too easy a way out of debt problems"  | 1 | 2 | 3 | 4 | 5 |
| 17. "People shouldn't borrow money if they can't afford to repay it"   | 1 | 2 | 3 | 4 | 5 |

18. "Creditors should have to take account of the circumstances of people having problems paying their debts"

1 2 3 4 5

19. "People who have been bankrupt shouldn't be allowed to borrow money again"

1 2 3 4 5

=====

(21) Please tick whichever one of the following you think expresses your point of view best

(a) "Credit is a sensible way of buying"

(b) "Credit is a convenient way of buying"

(c) "Credit is occasionally necessary"

(d) "Credit is never a good thing"

=====

(22) What would you say are the main reasons for people being in trouble over debt - please tick what you think are the three most important reasons and put a cross against any you think are not significant reasons

(a) unemployment

(b) poverty/low income

(c) illness

(d) marital problems

(e) easy credit

(f) wrong priorities

(g) drink/gambling/bingo

(h) living beyond their means

(i) mismanagement

(j) bad luck

(k) ignorance

(l) dishonesty

(m) inflation / cost of living

(n) other .....

=====

(23) Would any of these be a justification for not paying someone you owe (please tick any you think would be a justification) ?

(a) loss of job

(b) death in family

(c) no money/ unable to pay

(d) faulty goods

(e) articles bought by spouse

(f) illness

(g) company makes excessive profits

(h) goods sold under pressure

(i) other .....

=====

(24) Which of these should creditors be allowed to do when a debt is unpaid (tick those which you think should be allowed)

- (a) cut off electricity/gas for unpaid bill      (b) cut off water for unpaid bill
- (c) evict tenant for unpaid rent      (d) repossess house for mortgage arrears
- (e) "arrest" wages (ie have court deduct weekly amount from wages to pay bill)
- (f) have court deduct weekly amount from social security benefits
- (g) have debtor imprisoned
- (h) have court arrange "warrant sale" of debtor's goods
- (i) add interest charges and legal costs to original debt

= = = = =

(25) Please indicate your views briefly on these two questions :

(a) The single change of policy I'd like to see affecting debt problems is

.....

(b) The thing I think is most unfair about debt these days is

.....

### Case Studies - Questions

The same set of questions was appended to each case study

Please indicate your reaction to these statements with regard to this case, ie  
1=strongly agree, 2=agree, 3=unsure, 4=disagree, 5=strongly disagree

1. "This is a typical case of debt problems" 1 2 3 4 5
2. "This person brought the problems on her/himself" 1 2 3 4 5
3. "There should be a better way of dealing with problems like this" 1 2 3 4 5

=====

4. Which of the following do you consider the main cause of debt problems in this case (please tick one)

- (a) Economic circumstances beyond the debtor's control
- (b) Non-financial circumstances eg marriage problems, illness
- (c) Bad management by debtor
- (d) Irresponsible lending (or extending of credit) by the creditor
- (e) Poor communication between debtor and creditor
- (f) Bad luck
- (g) Other .....

5. Is there anything in this case that you consider unfair ? .....

6. Is there any other information you feel would help you judge the rights and wrongs of this case ? .....

7. How might the law deal with cases like this better ? .....

**Case Study (A)**

*John is a 27year old man, previously a salesman, who has been unemployed for 9 months. His 28year old wife is a bank clerk earning £250 (net) per week. He took out a loan from a finance company in order to pay off other debts, but found that the payments on the loan were greater than those on the previous debts.*

*His problems seem to start from the drop in income when he lost his job. Unlike many others in this situation, the couple did not make any change in their lifestyle. When they started to fall behind with their repayments and reminders came from the creditors, they did not get in touch with the creditors to explain their circumstances and come to a new arrangement. They assumed that unless they were able to make a substantial payment any offer would be turned down.*

*The debt reached £517.20. When a summons was served on the debtor, he made no attempt at payment, again assuming that any offer he made would be insufficient. Yet he said "we just spent the same as when we were both working - stupid debts got bigger and bigger, and we just spent to forget them".*

*Household goods (to a value of £250) were "poinded", which led the debtor to contact the creditor and make arrangements to pay £20 per week. This arrangement only lasted for four weeks before it broke down. A warrant sale was then intimated, which led to two further payments being made but again the arrangement broke down. On both occasions, these payment arrangements broke down because of pressure of other debt commitments.*

*The warrant sale took place; no buyers appeared and the creditor took possession of the goods. The debtor and his wife are separating.*

**Case Study (B)**

*Jean is a 30year old single parent of two children (Mark 12 and Gemma 10) who started a college course in hairdressing seven months ago. Her marriage broke up seven years ago, and although her former husband is believed to be a sales representative living somewhere in England he pays nothing towards maintenance of his children. Since the marriage break-up she has been living in council accommodation, dependant on social security benefits, including housing benefit paid directly to the District Council. She found it very difficult to cope with heating bills and children's clothing, so she started using a clothing catalogue which gave her time to pay.*

*When her college course began, she started to receive a grant of £3,500 per year, paid monthly; this replaced the benefits she previously received (except child benefit). By the time that she was notified that her housing benefit had been stopped from that date she became a student, the district council were claiming arrears of £250 (ten weeks of the difference between what she had been paying and the full rent without housing benefit). She can see no way of meeting this debt, in addition to her other debts of £53 (Scottish Power fuel bill) and £67 (clothing catalogue), each of which she is paying off weekly (at £5 and £6 per week). A friend suggests a finance company which will pay off her debts by extending her a new loan of £500, which would also give her a bit of spare cash; a District Council official encourages her to accept this.*

*Jean thinks that her best course of action would be to withdraw from her college course, saving the costs of travel and equipment, and go back on to benefit. The council have been granted an eviction order by the sheriff court.*



**Case Study (C)**

Gary (28) and his girlfriend bought a house (with a bank mortgage) for £46,000 seven years ago, feeling that it was an investment which they could afford. Shortly after, their relationship ended, and Gary bought out his girlfriend's share with overtime earnings from his work as an engineer. At that time he was also making use of a credit card for furnishing the flat to his own, fairly expensive, taste.

Then his overtime was reduced and finally cut altogether; he fell into arrears on both the mortgage and credit card repayments, until a small inheritance helped him to pay off his debts. However, with no overtime and rising interest rates, he could no longer keep up the payments.

Recently, he was made redundant. Although his income support will cover 100% of his mortgage after 16 weeks, the bank is not prepared to wait for this and seeks repossession; but his house is no longer worth £46,000 and even after repossession he is likely to owe up to £20,000. He says "There is no way I can move, I'm in too much debt; I'm trapped; I have nothing. Everything I did have I sold off to pay off debts. After six years of struggling to pay the mortgage, it's all theirs and I'm £20,000 in debt How am I going to pay it back ? Will they take an arm ?" The bank has not replied to his letters indicating the trap he feels he is in.

### Case Study (D)

*Carol (26) is a lone parent of two children, living on income support, out of which she was attempting to meet repayments on a loan which was originally her grandmother's but for which Carol felt morally and (mistakenly) legally responsible. The pressure of these high repayments led to her going into arrears on her rent. This in turn led to stress and depression.*

*The family attend a family centre locally where staff became aware that Carol was going without meals to feed her children, and even then the children were going without breakfast and wearing shoes they had grown out of. The children started to show behavioural problems (eg violent tantrums and bed-wetting), which Carol dated from her debt problems and resultant stress.*

*The centre gave Carol support in budgeting and in coping with the children's problems. They also helped her come to an arrangement with her creditors which led to her paying off rent arrears at an agreed amount per week. When it became clear that Carol was not legally responsible for her grandmother's loan, repayments on that were stopped. These adjustments, together with the support she received, made a noticeable difference not only to Carol but to the whole family.*

*However the improvement was not maintained. Carol fell behind with her rent repayments again, and a visitor from the centre found the children in the house alone until Carol returned, drunk, late in the evening.*

### **Case Study (E)**

*Brian (39) was a local authority driver but is now unemployed; his wife is not working. They have two children; one, aged 18, is in part-time employment and the other is 12 and at high school. Their income consists of unemployment benefit and supplementary benefit.*

*Brian bought his daughter a bicycle for Christmas, on a credit agreement involving twelve monthly payments of £10; he only made the first four payments. At this stage his daughter was involved in a serious accident resulting in brain damage and prolonged hospitalisation at some distance from the family home. The extra costs of hospital visits etc, and Brian's unemployment meant that they were unable to keep up the payments. (It also led to their falling behind on TV rental and payments to a clothing catalogue firm.)*

*He made contact with the local store where he had bought the bicycle, and they referred him to their head office, to whom he wrote offering to repay over a longer period at £4 per month. He received no reply from them, but a letter from a debt collection agency threatening court action if the outstanding debt were not paid in full within seven days. He wrote to them offering repayment at £8 per month; this letter was not acknowledged.*

*Brian next received a summons. He went personally to court and offered to repay at £2 per week; this offer was accepted. However, after three months he started missing payments (under financial pressure); attempts at negotiation produced no agreement. Sheriff officers entered the (unlocked) house while no-one was present and "poinded" goods to the value of £120. Despite some support from the Social Work Department, the sheriff officers demanded payment in full as the only alternative to a warrant sale. The anxiety of this (and the threat of advertisement of the warrant sale in the newspaper) led Brian's wife to health problems for which the doctor prescribed valium. No-one came to the warrant sale.*

2. Appendix 2 : Correlation Matrix - All Questions (CAD)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	Age
1	1.00	0.09	-0.33	-0.02	-0.09	0.09	0.41	-0.13	-0.42	0.04	-0.05	0.20	0.35	-0.26	-0.23	-0.29	-0.34	0.06	-0.22	-0.09
2	0.09	1.00	0.13	-0.27	0.23	-0.04	0.26	0.30	0.53	-0.23	0.21	0.13	-0.27	0.17	0.18	-0.06	0.12	0.10	-0.10	0.11
3	-0.33	0.13	1.00	0.21	0.00	0.06	-0.23	0.46	0.38	0.20	0.06	-0.49	-0.34	-0.02	0.21	0.02	0.18	-0.36	-0.02	-0.28
4	-0.02	-0.27	0.21	1.00	-0.08	0.36	-0.39	0.14	0.38	0.39	0.52	-0.24	-0.17	0.01	-0.31	-0.36	0.36	-0.48	0.01	0.30
5	-0.09	0.23	0.00	-0.08	1.00	0.07	0.18	0.13	0.00	0.12	0.15	0.00	-0.28	-0.29	0.33	0.20	0.22	-0.51	0.23	0.07
6	0.09	-0.04	0.06	0.36	0.07	1.00	-0.19	-0.39	0.05	0.65	0.43	-0.34	-0.06	-0.17	-0.04	0.03	0.10	-0.36	-0.02	-0.31
7	0.41	0.26	-0.23	-0.39	0.18	-0.19	1.00	-0.10	-0.18	-0.04	-0.06	-0.09	-0.30	0.29	0.28	-0.36	-0.40	0.37	-0.47	-0.03
8	-0.13	0.30	0.46	0.14	0.13	-0.39	-0.10	1.00	0.41	-0.26	-0.04	-0.11	-0.30	0.28	0.25	0.49	0.21	-0.24	0.23	-0.08
9	-0.42	0.53	0.38	0.38	0.00	0.05	0.18	0.41	1.00	-0.08	0.41	-0.11	-0.30	0.28	0.25	0.49	0.21	-0.24	0.23	-0.08
10	0.04	-0.23	0.20	0.39	0.12	0.65	-0.04	-0.26	-0.08	1.00	0.39	-0.25	-0.06	-0.63	0.02	-0.38	-0.19	-0.51	0.20	-0.21
11	-0.05	0.21	0.06	0.52	0.15	0.43	-0.06	-0.04	0.41	0.39	1.00	-0.06	-0.44	0.02	-0.38	0.50	0.46	-0.51	0.52	-0.04
12	0.20	0.13	-0.49	-0.24	0.00	-0.34	0.22	-0.09	-0.11	-0.25	-0.06	1.00	0.37	0.37	0.20	0.23	-0.29	0.25	0.28	0.20
13	0.35	-0.27	-0.34	-0.17	-0.28	-0.29	0.45	0.07	-0.30	-0.06	-0.44	0.37	1.00	-0.16	-0.16	-0.19	0.30	-0.51	-0.09	-0.03
14	-0.26	0.17	-0.02	0.01	0.00	-0.62	-0.17	0.29	0.28	-0.63	0.02	0.37	-0.16	1.00	-0.30	-0.36	0.02	1.00	0.41	0.17
15	-0.23	0.18	0.21	-0.31	0.00	-0.12	0.26	0.14	0.25	-0.10	-0.38	-0.20	0.27	-0.30	1.00	-0.36	0.30	-0.40	0.82	-0.14
16	-0.29	-0.06	0.02	0.62	0.15	0.04	-0.52	0.34	0.49	0.05	0.50	0.23	-0.19	0.35	-0.36	1.00	0.30	-0.51	0.15	-0.25
17	-0.34	0.12	0.18	0.36	0.09	0.52	-0.19	0.21	0.36	0.22	0.46	-0.29	-0.36	-0.29	0.02	0.30	1.00	-0.51	0.15	0.11
18	0.06	0.10	-0.36	-0.48	-0.12	-0.46	0.37	-0.24	-0.15	-0.31	-0.51	0.25	0.49	-0.01	0.49	-0.40	-0.51	1.00	-0.35	0.07
19	-0.22	-0.10	-0.02	0.58	0.23	-0.02	-0.21	0.23	0.33	0.20	0.52	0.28	-0.09	0.41	-0.47	0.82	0.15	-0.35	1.00	-0.24
Age	-0.09	0.11	-0.28	-0.30	-0.39	-0.22	0.01	-0.08	-0.16	-0.21	-0.04	0.20	-0.03	0.17	-0.14	-0.25	0.11	0.07	-0.24	1.00
Ch	-0.05	0.00	0.29	-0.09	-0.24	0.08	0.04	-0.06	-0.02	0.51	-0.03	-0.38	-0.01	-0.33	0.18	-0.35	-0.11	0.05	-0.11	0.26
21	-0.07	-0.27	0.22	0.08	-0.28	0.24	-0.31	-0.14	-0.07	0.21	-0.08	-0.26	0.05	-0.31	0.22	-0.10	0.10	0.00	-0.12	-0.31
21mc	-0.04	-0.36	0.15	0.30	-0.19	-0.14	-0.10	0.20	-0.02	0.30	-0.18	-0.24	0.33	-0.34	0.39	0.03	0.26	0.24	-0.03	-0.08
22own	0.44	0.36	0.00	-0.24	0.00	-0.06	0.28	0.00	0.01	-0.51	-0.29	0.13	0.07	0.17	0.08	-0.39	-0.28	0.09	-0.45	-0.09
22oth	-0.38	0.21	0.07	0.43	-0.09	0.05	-0.32	0.09	0.58	-0.09	0.39	-0.05	-0.50	0.38	-0.27	0.44	0.26	-0.27	0.47	0.21
23	-0.24	-0.20	0.43	0.08	-0.39	-0.12	-0.20	-0.05	-0.02	-0.06	-0.05	-0.28	-0.25	-0.05	0.13	-0.20	0.11	0.09	-0.18	0.09
24	-0.04	-0.14	-0.36	-0.10	0.55	-0.15	0.21	-0.13	-0.30	-0.30	-0.17	0.27	0.12	0.33	-0.12	0.10	-0.15	0.09	0.14	-0.30
A1	0.01	0.26	-0.25	-0.25	0.31	-0.34	0.00	0.21	0.02	-0.35	-0.10	0.25	0.06	0.21	0.09	0.02	-0.16	0.22	-0.19	0.30
A2	0.09	-0.37	0.14	0.43	-0.40	-0.07	-0.53	0.20	0.06	0.24	0.17	-0.01	0.08	0.07	-0.35	0.46	-0.13	-0.35	0.32	0.17
A3	-0.08	0.14	-0.24	0.21	0.54	-0.24	0.47	0.01	0.21	-0.31	0.18	0.25	-0.14	0.52	-0.20	0.24	0.00	-0.01	0.43	-0.16
A4VIC	0.30	-0.38	0.28	0.17	-0.39	0.06	-0.13	-0.02	-0.30	0.20	-0.27	-0.50	0.03	-0.17	-0.23	-0.30	-0.18	-0.17	-0.17	-0.07

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	Age
A4OWN	-0.19	0.15	-0.17	-0.07	0.33	0.00	0.22	-0.11	0.23	-0.31	-0.13	0.06	-0.03	0.28	0.27	-0.13	-0.04	0.16	-0.10	-0.04
A4OTH	-0.16	0.13	-0.06	-0.13	-0.15	-0.12	-0.19	0.04	0.12	0.05	0.24	0.30	0.08	-0.09	0.12	0.30	0.04	0.17	0.05	0.14
B1	0.18	0.03	0.00	0.14	0.23	-0.45	0.11	0.12	-0.11	-0.43	0.00	0.12	-0.03	0.62	-0.18	0.06	-0.47	0.06	0.21	-0.03
B2	0.12	-0.30	-0.08	0.45	-0.20	-0.06	-0.11	0.18	-0.11	0.25	0.12	0.04	0.18	-0.09	-0.34	0.23	0.26	-0.11	0.13	0.19
B3	0.32	0.17	-0.19	0.04	0.06	-0.26	0.51	0.13	0.11	-0.41	0.15	0.12	0.24	0.40	-0.12	0.07	-0.31	0.06	0.36	-0.25
B4VIC	-0.11	0.31	0.00	-0.05	-0.16	-0.35	0.03	0.00	0.30	-0.27	0.20	0.17	-0.14	0.61	-0.02	0.00	-0.44	0.16	0.18	0.13
B4OWN	-0.23	-0.04	0.27	0.08	0.36	0.22	-0.15	0.19	0.26	0.47	0.23	-0.08	-0.03	-0.24	0.24	0.31	0.18	-0.25	0.26	-0.46
B4OTH	0.46	-0.33	-0.01	0.09	0.00	0.19	0.09	0.08	-0.42	0.27	-0.30	-0.12	0.39	-0.49	0.08	-0.16	0.08	-0.11	-0.14	-0.08
C1	0.12	-0.22	-0.11	-0.22	0.19	-0.40	0.22	0.10	-0.36	0.05	-0.31	0.31	0.42	-0.20	0.18	-0.08	-0.38	0.25	-0.13	-0.04
C2	0.16	-0.23	-0.44	0.46	-0.31	0.05	0.03	-0.06	0.08	-0.05	0.26	-0.20	0.27	-0.02	-0.10	0.22	0.19	0.19	0.31	0.05
C3	-0.00	0.14	-0.07	-0.58	0.01	-0.54	0.35	-0.14	-0.30	-0.28	-0.44	0.12	0.06	0.19	0.28	-0.59	-0.57	0.59	-0.52	0.19
C4VIC	-0.01	0.02	-0.13	0.29	-0.16	-0.46	0.12	0.25	0.27	-0.24	0.20	0.09	-0.02	0.29	-0.09	0.35	0.09	0.04	0.46	0.15
C4OWN	0.08	0.13	0.00	-0.48	0.17	0.18	0.20	-0.09	-0.12	0.04	-0.21	0.19	0.31	-0.27	0.43	-0.33	-0.22	0.13	-0.38	-0.07
C4OTH	-0.21	-0.02	0.00	-0.29	0.16	0.36	0.01	0.08	-0.27	0.24	0.00	-0.35	0.02	-0.45	0.09	-0.26	0.52	-0.20	-0.23	0.23
D1	-0.16	0.25	-0.05	-0.13	0.31	-0.01	0.02	-0.03	0.11	0.05	0.08	0.37	0.08	0.13	0.21	0.27	-0.28	0.05	0.23	-0.29
D2	0.29	-0.45	-0.31	0.62	-0.25	0.20	0.03	-0.07	0.02	0.19	0.46	0.17	0.31	0.10	-0.34	0.41	0.12	-0.40	0.43	-0.04
D3	-0.43	0.09	0.16	0.10	0.48	0.32	-0.34	-0.08	0.20	0.36	0.25	-0.15	-0.37	-0.05	0.04	0.23	0.05	-0.05	0.18	-0.51
D4VIC	0.03	0.22	0.39	0.20	0.00	-0.03	-0.06	0.26	0.18	0.04	0.42	-0.32	-0.51	0.05	-0.10	0.17	-0.46	-0.03	0.09	0.27
D4OWN	0.03	0.26	-0.04	-0.22	0.17	-0.11	-0.08	0.15	0.12	-0.20	-0.03	0.19	-0.11	0.33	-0.03	0.14	-0.12	-0.05	0.09	-0.36
D4OTH	-0.48	-0.42	0.18	-0.07	-0.15	-0.13	-0.12	0.12	-0.12	0.16	-0.24	0.18	0.44	-0.05	0.29	0.08	0.07	0.13	0.02	0.10
E1	-0.23	0.50	0.08	-0.30	0.38	-0.14	0.01	0.10	0.27	0.08	0.12	-0.02	-0.25	0.07	0.23	-0.03	-0.25	0.14	-0.01	0.08
E2	-0.04	-0.07	0.07	0.37	0.08	-0.12	-0.02	0.25	0.14	0.35	0.58	0.05	0.09	-0.08	-0.19	0.42	0.17	0.01	0.35	-0.04
E3	0.31	0.27	-0.46	-0.23	0.07	-0.31	0.46	-0.07	-0.07	-0.41	-0.02	0.33	0.14	0.41	-0.04	-0.19	-0.13	0.17	-0.05	0.01
E4VIC	0.05	-0.07	0.36	0.03	0.44	0.10	0.15	0.12	-0.05	0.43	0.28	-0.44	-0.22	-0.20	0.14	-0.11	-0.13	-0.28	0.04	-0.34
E4OWN	0.03	0.14	0.00	-0.15	0.00	0.27	-0.17	-0.19	0.09	-0.25	0.00	0.29	-0.26	0.26	-0.18	0.09	-0.07	-0.28	0.08	-0.19
E4OTH	-0.20	-0.04	-0.18	0.12	-0.22	-0.10	-0.15	0.12	0.16	0.10	-0.14	0.20	0.35	-0.14	0.13	0.25	0.30	0.28	0.07	0.17

	Ch	21	22VIC	22OWN	22OTH	23	24	A1	A2	A3	A4VIC	A4OWN	A4OTH	B1	B2	B3	B4VIC	B4OWN	B4OTH	C1
1	-0.05	-0.07	-0.04	0.44	-0.38	-0.24	-0.04	0.01	0.09	-0.08	0.30	-0.19	-0.16	0.18	0.12	0.32	-0.11	-0.23	0.46	0.12
2	0.00	-0.27	-0.36	0.36	0.21	-0.20	-0.14	0.26	-0.37	0.14	-0.38	0.15	0.13	0.03	-0.30	0.17	0.31	-0.04	-0.33	-0.22
3	0.29	0.22	0.15	0.00	0.07	0.43	-0.36	-0.25	0.14	-0.24	0.28	-0.17	-0.06	0.00	-0.08	-0.19	0.00	0.27	-0.01	-0.11
4	-0.09	0.08	0.30	-0.24	0.43	0.08	-0.10	-0.25	0.43	0.21	0.17	-0.07	-0.13	0.14	0.45	0.04	-0.05	0.08	0.09	-0.22
5	-0.24	-0.28	-0.19	0.00	-0.09	-0.39	0.55	0.31	-0.40	0.54	-0.39	0.33	-0.15	0.23	-0.20	0.06	-0.16	0.36	0.00	0.19
6	0.08	0.24	-0.14	-0.06	0.05	-0.12	-0.15	-0.34	-0.07	-0.24	0.06	0.00	-0.12	-0.45	-0.06	-0.26	-0.35	0.22	0.19	-0.40
7	0.04	-0.31	-0.10	0.28	-0.32	-0.20	0.21	0.00	-0.53	0.47	-0.13	0.22	-0.19	0.11	-0.11	0.51	0.03	-0.15	0.09	0.22
8	-0.06	-0.14	0.20	0.00	0.09	-0.05	-0.13	0.21	0.20	0.01	-0.02	-0.11	0.04	0.12	0.18	0.13	0.00	0.19	0.08	0.10
9	-0.02	-0.07	-0.02	0.01	0.58	-0.02	-0.20	0.02	0.06	0.21	-0.30	0.23	0.12	-0.11	-0.11	0.11	0.30	0.26	-0.42	-0.36
10	0.51	0.21	0.30	-0.51	-0.09	-0.06	-0.30	-0.35	0.24	-0.31	0.20	-0.31	0.05	-0.43	0.25	-0.41	-0.27	0.47	0.27	0.05
11	-0.03	-0.08	-0.18	-0.29	0.39	-0.05	-0.17	-0.10	0.17	0.18	-0.27	-0.13	0.24	0.00	0.12	0.15	0.20	0.23	-0.30	-0.33
12	-0.38	-0.26	-0.24	0.13	-0.05	-0.28	0.27	0.25	-0.01	0.25	-0.50	0.06	0.30	0.12	0.04	0.12	0.17	-0.08	-0.12	0.31
13	-0.01	0.05	0.33	0.07	-0.50	-0.25	0.12	0.06	0.08	-0.14	0.03	-0.03	0.08	-0.03	0.18	0.24	-0.14	-0.03	0.39	0.42
14	-0.33	-0.31	-0.34	0.17	0.38	-0.05	0.33	0.21	0.07	0.52	-0.17	0.28	-0.09	-0.09	-0.09	0.40	0.61	-0.24	-0.49	-0.20
15	0.18	0.22	0.39	0.08	-0.27	0.13	-0.12	0.09	-0.35	-0.20	-0.23	0.27	0.12	-0.18	-0.34	-0.12	-0.02	0.24	0.08	0.18
16	-0.35	-0.10	0.03	-0.39	0.44	-0.20	0.10	0.02	0.46	0.24	-0.30	-0.13	0.30	0.06	0.23	0.07	0.00	0.31	-0.16	-0.08
17	-0.11	-0.18	0.10	-0.28	0.26	0.11	-0.15	-0.16	-0.13	0.00	-0.18	-0.04	0.04	-0.47	0.26	-0.31	-0.44	0.18	0.08	-0.38
18	0.05	0.00	0.24	0.09	-0.27	0.09	0.09	0.22	-0.35	-0.01	-0.17	0.16	0.17	0.06	-0.11	0.06	0.16	-0.25	-0.11	0.25
19	-0.11	-0.12	-0.03	-0.45	0.47	-0.18	0.14	-0.19	0.32	0.43	-0.07	-0.10	0.05	0.21	0.13	0.36	0.18	0.26	-0.14	-0.13
Age	0.26	-0.31	-0.08	-0.09	0.21	0.09	-0.30	0.30	0.17	-0.16	-0.07	-0.04	0.14	-0.03	0.19	-0.25	0.13	-0.46	-0.08	-0.04
Ch	1.00	0.19	0.34	-0.40	0.04	0.19	-0.69	-0.27	0.33	-0.50	0.45	-0.36	0.01	-0.20	-0.14	-0.11	0.08	0.20	0.25	-0.09
21	0.19	1.00	0.06	0.02	0.00	0.34	-0.37	-0.12	0.01	-0.50	0.05	-0.21	0.24	-0.16	-0.21	-0.09	0.42	0.16	-0.19	0.23
22vic	0.34	0.06	1.00	-0.46	-0.33	0.36	-0.29	-0.15	0.31	-0.31	0.32	-0.36	0.16	-0.22	0.44	-0.36	-0.39	0.36	0.51	0.18
22own	-0.40	0.02	-0.46	1.00	-0.06	-0.05	0.25	0.34	-0.43	0.26	-0.03	0.51	-0.40	0.32	-0.25	0.27	0.20	-0.37	-0.08	0.02
22oth	0.04	0.00	-0.33	-0.06	1.00	0.10	-0.26	0.11	0.21	0.35	-0.16	0.23	-0.11	0.00	0.04	0.04	0.46	-0.26	-0.57	-0.28
23	0.19	0.34	0.36	-0.05	0.10	1.00	-0.46	-0.20	-0.06	-0.30	0.29	-0.23	0.01	-0.11	0.17	-0.40	0.09	-0.12	-0.15	-0.10
24	-0.69	-0.37	-0.29	0.25	-0.26	-0.46	1.00	0.17	-0.47	0.74	-0.30	0.53	-0.28	-0.09	-0.09	-0.14	-0.05	-0.02	0.13	
A1	-0.27	-0.12	-0.15	0.34	0.11	-0.20	0.17	1.00	-0.01	0.18	-0.51	0.43	0.15	0.20	0.14	-0.21	0.18	-0.12	-0.23	0.47
A2	0.33	0.01	0.31	-0.43	0.21	-0.06	-0.47	-0.01	1.00	-0.39	0.36	-0.48	0.24	0.01	0.27	-0.08	-0.07	0.16	0.29	0.05
A3	-0.50	-0.50	-0.31	0.26	0.35	-0.30	0.74	0.18	-0.39	1.00	-0.33	0.59	-0.39	0.48	0.00	0.46	0.21	-0.22	-0.31	0.01
A4VIC	0.45	0.05	0.32	-0.03	-0.16	0.29	-0.30	-0.51	0.36	-0.33	1.00	-0.34	-0.51	-0.07	0.17	0.00	-0.25	-0.11	0.45	-0.31



	Ch	21	22VIC	22OWN	22OTH	23	24	A1	A2	A3	A4VIC	A4OWN	A4OTH	B1	B2	B3	B4VIC	B4OWN	B4OTH	C1
A4OWN	-0.36	-0.21	-0.36	0.51	0.23	-0.23	0.53	0.43	-0.48	0.59	-0.34	1.00	-0.54	0.19	-0.23	0.08	0.22	-0.15	-0.29	-0.11
A4OTH	0.01	0.24	0.16	-0.40	-0.11	0.01	-0.28	0.15	0.34	-0.39	-0.51	-0.54	1.00	-0.14	0.03	-0.15	0.10	0.21	-0.21	0.37
B1	-0.20	-0.16	-0.22	0.32	0.00	-0.11	0.40	0.20	0.01	0.48	-0.07	0.19	-0.14	1.00	-0.21	0.53	0.43	-0.36	-0.01	0.09
B2	-0.14	-0.21	0.44	-0.25	0.04	0.17	-0.09	0.14	0.27	0.00	0.17	-0.23	0.03	-0.21	1.00	-0.43	-0.30	-0.12	0.04	0.24
B3	-0.11	-0.09	-0.36	0.27	0.04	-0.40	0.29	-0.21	-0.08	0.46	0.00	0.08	-0.15	0.53	-0.43	1.00	0.43	-0.16	-0.03	-0.18
B4VIC	0.08	0.42	-0.39	0.20	0.46	0.09	-0.14	0.18	-0.07	0.21	-0.25	0.22	0.10	0.43	-0.30	0.43	1.00	-0.23	-0.70	-0.04
B4OWN	0.20	0.16	0.36	-0.37	-0.26	-0.12	-0.05	-0.12	0.16	-0.22	-0.11	-0.15	0.21	-0.36	-0.12	-0.16	-0.23	1.00	0.21	0.03
B4OTH	0.25	-0.19	0.51	-0.08	-0.57	-0.15	-0.02	-0.23	0.29	-0.31	0.45	-0.29	-0.21	-0.01	0.04	-0.03	-0.70	0.21	1.00	0.05
C1	-0.09	0.23	0.18	0.02	-0.28	-0.10	0.13	0.47	0.05	0.01	-0.31	-0.11	0.37	0.09	0.24	-0.18	-0.04	0.03	0.05	1.00
C2	0.05	-0.10	0.26	-0.34	0.23	-0.02	-0.10	-0.26	0.21	0.08	0.19	-0.08	-0.07	0.10	0.15	0.44	0.01	-0.27	0.15	-0.42
C3	-0.00	0.10	0.07	0.27	-0.32	0.37	0.10	0.40	-0.47	0.06	-0.11	0.16	0.05	0.16	0.11	-0.21	0.42	-0.24	-0.41	0.48
C4VIC	0.10	-0.29	0.19	-0.36	0.46	0.11	-0.21	-0.19	0.31	0.31	0.05	-0.24	0.10	0.16	0.09	0.44	0.17	-0.20	-0.04	-0.06
C4OWN	0.00	0.36	-0.23	0.43	-0.36	-0.23	0.06	0.43	-0.19	-0.28	-0.37	0.34	0.10	-0.10	-0.43	-0.11	0.07	0.31	0.07	0.32
C4OTH	0.20	0.11	0.06	-0.25	-0.35	-0.11	-0.03	-0.00	-0.24	-0.33	-0.05	-0.18	0.10	-0.30	-0.03	-0.20	-0.38	0.20	0.26	-0.02
D1	-0.08	0.23	-0.25	0.07	0.00	-0.51	0.26	0.18	-0.01	0.16	-0.60	0.15	0.44	0.14	-0.49	0.25	0.31	0.42	-0.21	0.35
D2	-0.24	-0.12	0.03	-0.12	0.08	-0.36	0.14	-0.10	0.46	0.17	0.04	0.06	-0.08	0.12	0.31	0.29	0.00	0.04	0.19	-0.07
D3	-0.14	0.50	0.03	-0.18	0.02	0.10	0.15	0.06	-0.33	0.04	-0.39	-0.02	0.29	-0.13	0.02	-0.23	0.24	0.47	-0.52	0.16
D4VIC	0.25	0.13	-0.12	0.06	0.42	0.28	-0.47	0.22	0.30	-0.02	0.01	-0.16	0.09	0.29	0.01	0.00	0.35	-0.13	-0.17	0.10
D4OWN	-0.31	-0.10	-0.16	0.08	-0.24	-0.19	0.28	-0.25	-0.28	0.04	-0.04	0.00	-0.03	-0.09	-0.18	0.16	0.12	0.40	-0.17	-0.31
D4OTH	-0.01	0.17	0.36	-0.35	-0.34	0.11	0.06	0.05	0.10	-0.30	-0.22	-0.07	0.34	-0.14	0.22	-0.37	-0.20	0.23	0.10	0.37
E1	0.31	0.26	-0.22	-0.01	0.27	-0.21	-0.18	0.50	-0.07	0.00	-0.47	0.11	0.36	0.12	-0.31	-0.01	0.56	0.18	-0.48	0.36
E2	0.00	-0.11	0.45	-0.49	0.01	0.17	-0.24	0.21	0.32	-0.06	-0.16	-0.39	0.47	-0.13	0.71	-0.22	-0.04	0.26	-0.17	0.27
E3	-0.44	-0.33	-0.19	0.30	-0.23	-0.25	0.49	-0.11	-0.57	0.45	-0.18	0.28	-0.23	0.17	0.04	0.37	0.32	-0.20	-0.25	-0.19
E4VIC	0.37	0.25	0.13	-0.15	-0.19	0.05	-0.14	0.05	0.11	-0.09	0.14	-0.01	-0.14	0.14	-0.24	0.09	0.12	0.54	0.12	0.09
E4OWN	-0.32	0.17	-0.73	0.44	0.26	-0.11	0.14	-0.12	-0.15	0.05	-0.11	0.31	-0.23	-0.03	-0.55	0.16	0.22	-0.06	-0.25	-0.33
E4OTH	-0.05	-0.25	0.67	-0.45	-0.19	-0.05	0.01	-0.05	0.08	-0.09	-0.14	-0.28	0.42	-0.34	0.50	-0.30	-0.41	0.10	0.17	0.14

	C2	C3	C4VIC	C4OWN	C4OTH	D1	D2	D3	D4VIC	D4OWN	D4OTH	E1	E2	E3	E4VIC	E4OWN	E4OTH
1	0.16	-0.00	-0.01	0.08	-0.21	-0.16	0.29	-0.43	0.03	0.03	-0.48	-0.23	-0.04	0.31	0.05	0.03	-0.20
2	-0.23	0.14	0.02	0.13	-0.02	0.25	-0.45	0.09	0.22	0.26	-0.42	0.50	-0.07	0.27	-0.07	0.14	-0.04
3	-0.44	-0.07	-0.13	0.00	0.00	-0.05	-0.31	0.16	0.39	-0.04	0.18	0.08	0.07	-0.46	0.36	0.00	-0.18
4	0.46	-0.58	0.29	-0.48	-0.29	-0.13	0.62	0.10	0.20	-0.22	-0.07	-0.30	0.37	-0.23	0.03	-0.15	0.12
5	-0.31	0.01	-0.16	0.17	0.16	0.31	-0.25	0.48	0.00	0.17	-0.15	0.38	0.08	0.07	0.44	0.00	-0.22
6	0.05	-0.54	-0.46	0.18	0.36	-0.01	0.20	0.32	-0.03	-0.11	-0.13	-0.14	-0.12	-0.31	0.10	0.27	-0.10
7	0.03	0.35	0.12	0.20	0.01	0.02	0.03	-0.34	-0.06	-0.08	-0.12	0.01	-0.02	0.46	0.15	-0.17	-0.15
8	-0.06	-0.14	0.25	-0.09	0.08	-0.03	-0.07	-0.08	0.26	0.15	0.12	0.10	0.25	-0.07	0.12	-0.19	0.12
9	0.08	-0.30	0.27	-0.12	-0.27	0.31	0.02	0.20	0.18	0.12	-0.12	0.27	0.14	-0.07	0.05	0.09	0.16
10	-0.05	-0.28	-0.24	0.04	0.24	0.05	0.19	0.36	0.04	-0.20	0.16	0.08	0.35	-0.41	0.43	-0.25	0.10
11	0.26	-0.44	0.20	-0.21	0.00	0.08	0.46	0.25	0.42	-0.03	-0.24	0.12	0.58	-0.02	0.28	0.00	-0.14
12	-0.20	0.12	0.09	0.19	-0.35	0.37	0.17	-0.15	-0.32	0.19	0.18	-0.02	0.05	0.33	-0.44	0.29	0.20
13	0.27	0.06	-0.02	0.31	0.02	0.08	0.31	-0.37	-0.51	-0.11	0.44	-0.25	0.09	0.14	-0.22	-0.26	0.35
14	-0.02	0.19	0.29	-0.27	-0.45	0.13	0.10	-0.05	0.05	0.33	-0.05	0.07	-0.08	0.41	-0.20	0.26	-0.14
15	-0.10	0.28	-0.09	0.43	0.09	0.21	-0.34	0.04	-0.10	-0.03	0.29	0.23	-0.19	-0.04	0.14	-0.18	0.13
16	0.22	-0.59	0.35	-0.33	-0.26	0.27	0.41	0.23	-0.01	0.14	0.08	-0.03	0.42	-0.19	-0.11	0.09	0.25
17	0.19	-0.57	0.09	-0.22	0.52	-0.28	0.12	0.05	0.17	-0.12	0.07	-0.25	0.17	-0.13	-0.07	0.30	0.28
18	0.19	0.59	0.04	0.13	-0.20	0.05	-0.40	-0.05	-0.46	-0.05	0.13	0.14	0.01	0.17	-0.28	-0.28	0.07
19	0.31	-0.52	0.46	-0.38	-0.23	0.23	0.43	0.18	-0.03	0.09	0.02	-0.01	0.35	-0.05	0.04	0.08	0.07
Age	0.05	0.19	0.15	-0.07	0.23	-0.29	-0.04	-0.51	0.27	-0.36	0.10	0.08	-0.04	0.01	-0.34	-0.19	0.17
Ch	0.05	-0.00	0.10	0.00	0.20	-0.08	-0.24	-0.14	0.25	-0.31	-0.01	0.31	0.00	-0.44	0.37	-0.32	-0.05
21	-0.10	0.10	-0.29	0.36	0.11	0.23	-0.12	0.50	0.13	-0.10	0.17	0.26	-0.11	-0.33	0.25	0.17	-0.25
22vic	0.26	0.07	0.19	-0.23	0.06	-0.25	0.03	0.03	-0.12	-0.16	0.36	-0.22	0.45	-0.19	0.13	-0.73	0.67
22own	-0.34	0.27	-0.36	0.43	-0.25	0.07	-0.12	-0.18	0.06	0.08	-0.35	-0.01	-0.49	0.30	-0.15	0.44	-0.45
22oth	0.23	-0.32	0.46	-0.36	-0.35	0.00	0.08	0.02	0.42	-0.24	-0.34	0.27	0.01	-0.23	-0.19	0.26	-0.19
23	-0.02	0.37	0.11	-0.23	-0.11	-0.51	-0.36	0.10	0.28	-0.19	0.11	-0.21	0.17	-0.25	0.05	-0.11	-0.05
24	-0.10	0.10	-0.21	0.06	-0.03	0.26	0.14	0.15	-0.47	0.28	0.06	-0.18	-0.24	0.49	-0.14	0.14	0.01
A1	-0.26	0.40	-0.19	0.43	-0.00	0.18	-0.10	0.06	0.22	-0.25	0.05	0.50	0.21	-0.11	0.05	-0.12	-0.05
A2	0.21	-0.47	0.31	-0.19	-0.24	-0.01	0.46	-0.33	0.30	-0.28	0.10	-0.07	0.32	-0.57	0.11	-0.15	0.08
A3	0.08	0.06	0.31	-0.28	-0.33	0.16	0.17	0.04	-0.02	0.04	-0.30	0.00	-0.06	0.45	-0.09	0.05	-0.09
A4VIC	0.19	-0.11	0.05	-0.37	-0.05	-0.60	0.04	-0.39	0.01	-0.04	-0.22	-0.47	-0.16	-0.18	0.14	-0.11	-0.14

	C2	C3	C4VIC	C4OWN	C4OTH	D1	D2	D3	D4VIC	D4OWN	D4OTH	E1	E2	E3	E4VIC	E4OWN	E4OTH
A4OWN	-0.08	0.16	-0.24	0.34	-0.18	0.15	0.06	-0.02	-0.16	0.00	-0.07	0.11	-0.39	0.28	-0.01	0.31	-0.28
A4OTH	-0.07	0.05	0.10	0.10	0.10	0.44	-0.08	0.29	0.09	-0.03	0.34	0.36	0.47	-0.23	-0.14	-0.23	0.42
B1	0.10	0.16	0.16	-0.10	-0.30	0.14	0.12	-0.13	0.29	-0.09	-0.14	0.12	-0.13	0.17	0.14	-0.03	-0.34
B2	0.15	0.11	0.09	-0.43	-0.03	-0.49	0.31	0.02	0.01	-0.18	0.22	-0.31	0.71	0.04	-0.24	-0.55	0.50
B3	0.44	-0.21	0.44	-0.11	-0.20	0.25	0.29	-0.23	0.00	0.16	-0.37	-0.01	-0.22	0.37	0.09	0.16	-0.30
B4VIC	0.01	0.42	0.17	0.07	-0.38	0.31	0.00	0.24	0.35	0.12	-0.20	0.56	-0.04	0.32	0.12	0.22	-0.41
B4OWN	-0.27	-0.24	-0.20	0.31	0.20	0.42	0.04	0.47	-0.13	0.40	0.23	0.18	0.26	-0.20	0.54	-0.06	0.10
B4OTH	0.15	-0.41	-0.04	0.07	0.26	-0.21	0.19	-0.52	-0.17	-0.17	0.10	-0.48	-0.17	-0.25	0.12	-0.25	0.17
C1	-0.42	0.48	-0.06	0.32	-0.02	0.35	-0.07	0.16	0.10	-0.31	0.37	0.36	0.27	-0.19	0.09	-0.33	0.14
C2	1.00	-0.43	0.59	-0.51	-0.07	-0.36	0.46	-0.33	-0.15	-0.23	-0.21	-0.35	0.20	0.04	-0.15	-0.27	0.15
C3	-0.43	1.00	-0.24	0.13	-0.12	-0.05	-0.50	0.32	0.03	0.16	0.05	0.34	0.03	0.41	0.00	-0.26	0.00
C4VIC	0.59	-0.24	1.00	-0.66	-0.39	-0.14	0.22	-0.39	0.30	-0.15	-0.30	-0.08	0.20	0.03	-0.10	-0.21	0.10
C4OWN	-0.51	0.13	-0.66	1.00	0.24	0.48	-0.10	0.10	-0.10	-0.02	0.31	0.36	-0.26	-0.14	0.28	0.31	-0.28
C4OTH	-0.07	-0.12	-0.39	0.24	1.00	-0.10	-0.23	0.17	-0.05	-0.07	0.30	0.08	-0.05	-0.06	0.10	-0.25	0.18
D1	-0.36	-0.05	-0.14	0.48	-0.10	1.00	-0.01	0.39	-0.10	0.13	0.12	0.59	-0.16	-0.08	0.08	0.23	0.03
D2	0.46	-0.50	0.22	-0.10	-0.23	-0.01	1.00	-0.32	0.03	-0.11	0.07	-0.42	0.24	0.14	0.03	0.02	-0.03
D3	-0.33	0.32	-0.39	0.10	0.17	0.39	-0.32	1.00	-0.08	0.37	0.06	0.48	0.27	0.06	0.23	-0.04	0.08
D4VIC	-0.15	0.03	0.30	-0.10	-0.05	-0.10	0.03	-0.08	1.00	-0.35	-0.31	0.42	0.18	-0.26	0.49	-0.11	-0.49
D4OWN	-0.23	0.16	-0.15	-0.02	-0.07	0.13	-0.11	0.37	-0.35	1.00	-0.18	-0.10	-0.11	0.64	0.03	0.35	-0.03
D4OTH	-0.21	0.05	-0.30	0.31	0.30	0.12	0.07	0.06	-0.31	-0.18	1.00	-0.12	0.24	-0.26	-0.14	-0.23	0.42
E1	-0.35	0.34	-0.08	0.36	0.08	0.59	-0.42	0.48	0.42	-0.10	-0.12	1.00	0.08	-0.24	0.35	-0.08	-0.18
E2	0.20	0.03	0.20	-0.26	-0.05	-0.16	0.24	0.27	0.18	-0.11	0.24	0.08	1.00	-0.14	0.18	-0.59	0.33
E3	0.04	0.41	0.03	-0.14	-0.06	-0.08	0.14	0.06	-0.26	0.64	-0.26	-0.24	-0.14	1.00	-0.20	0.08	0.03
E4VIC	-0.15	0.00	-0.10	0.28	0.10	0.08	0.03	0.23	0.19	0.03	-0.14	0.35	0.18	-0.20	1.00	-0.10	-0.61
E4OWN	-0.27	-0.26	-0.21	0.31	-0.25	0.23	0.02	-0.04	-0.11	0.35	-0.23	-0.08	-0.59	0.08	-0.10	1.00	-0.55
E4OTH	0.15	0.00	0.10	-0.28	0.18	0.03	-0.03	0.08	-0.49	-0.03	0.42	-0.18	0.33	0.03	-0.61	-0.55	1.00

2. Appendix 3 : Correlation Matrix - Q1-19 + Age + Kirk (All respondents)

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	AGE	KIRK
Q1	1.00	0.31	-0.27	-0.11	-0.04	-0.18	-0.04	-0.07	-0.11	-0.04	0.20	0.26	0.27	-0.03	0.26	0.01	-0.11	0.07	-0.16	0.05	-0.15
Q2	0.31	1.00	0.04	-0.13	0.05	-0.08	-0.02	-0.04	-0.01	-0.12	0.12	0.19	-0.13	-0.10	0.04	-0.07	-0.15	-0.04	-0.11	0.10	-0.13
Q3	-0.27	0.04	1.00	0.51	0.05	0.28	0.00	0.62	0.32	0.25	0.26	-0.16	-0.09	0.29	-0.10	0.46	0.16	-0.20	0.50	-0.42	0.23
Q4	-0.11	-0.13	0.51	1.00	-0.03	0.30	0.01	0.50	0.15	0.39	0.23	-0.12	0.03	0.16	0.04	0.40	0.24	-0.15	0.52	-0.55	0.29
Q5	-0.04	0.05	0.05	-0.03	1.00	-0.06	0.05	0.11	0.13	0.09	0.12	0.32	-0.16	0.28	0.02	0.19	0.32	0.09	0.15	0.05	-0.14
Q6	-0.18	-0.08	0.28	0.30	-0.06	1.00	0.19	0.21	0.13	0.60	0.10	-0.17	-0.08	-0.23	0.04	0.34	0.17	-0.09	0.19	-0.29	0.18
Q7	-0.04	-0.02	0.00	0.01	0.05	0.19	1.00	0.03	0.04	0.38	0.11	0.09	0.15	0.02	0.28	0.05	0.12	0.22	0.14	-0.27	0.19
Q8	-0.07	-0.04	0.62	0.50	0.11	0.21	0.03	1.00	0.22	0.22	0.35	0.01	0.06	0.46	0.05	0.60	0.23	0.05	0.52	-0.53	0.13
Q9	-0.11	-0.01	0.32	0.15	0.13	0.13	0.04	0.22	1.00	0.05	0.16	0.02	-0.12	0.27	0.03	0.36	0.20	0.07	0.26	-0.05	-0.07
Q10	-0.04	-0.12	0.25	0.39	0.09	0.60	0.38	0.22	0.05	1.00	0.30	-0.07	0.04	-0.07	0.17	0.38	0.30	0.09	0.28	-0.37	0.42
Q11	0.20	0.12	0.26	0.23	0.12	0.10	0.11	0.35	0.16	0.30	1.00	0.21	0.15	0.38	0.23	0.37	0.20	0.19	0.40	-0.46	0.16
Q12	0.26	0.19	-0.16	-0.12	0.32	-0.17	0.09	0.01	0.02	-0.07	0.21	1.00	0.14	0.38	0.05	0.11	0.05	0.47	0.02	0.06	-0.23
Q13	0.27	-0.13	-0.09	0.03	-0.16	-0.08	0.15	0.06	-0.12	0.04	0.15	0.14	1.00	0.12	0.44	-0.02	-0.12	0.27	-0.06	-0.15	-0.02
Q14	-0.03	-0.10	0.29	0.16	0.28	-0.23	0.02	0.46	0.27	-0.07	0.38	0.38	0.12	1.00	-0.03	0.48	0.25	0.22	0.45	-0.22	-0.08
Q15	0.26	0.04	-0.10	0.04	0.02	0.04	0.28	0.05	0.03	0.17	0.23	0.05	0.44	-0.03	1.00	0.12	0.10	0.36	-0.06	-0.22	0.06
Q16	0.01	-0.07	0.46	0.40	0.19	0.34	0.05	0.60	0.36	0.38	0.37	0.11	-0.02	0.48	0.12	1.00	0.34	-0.07	0.65	-0.41	-0.00
Q17	-0.11	-0.15	0.16	0.24	0.32	0.17	0.12	0.23	0.20	0.30	0.20	0.05	-0.12	0.25	0.10	0.34	1.00	0.03	0.19	-0.07	0.13
Q18	0.07	-0.04	-0.20	-0.15	0.09	-0.09	0.22	0.05	0.07	0.09	0.19	0.47	0.27	0.22	0.36	-0.07	0.03	1.00	-0.18	-0.03	-0.05
Q19	-0.16	-0.11	0.50	0.52	0.15	0.19	0.14	0.52	0.26	0.28	0.40	0.02	-0.06	0.45	-0.06	0.65	0.19	-0.18	1.00	-0.51	0.12
AGE	0.05	0.10	-0.42	-0.55	0.05	-0.29	-0.27	-0.53	-0.05	-0.37	-0.46	0.06	-0.15	-0.22	-0.22	-0.41	-0.07	-0.03	-0.51	1.00	-0.40
KIRK	-0.15	-0.13	0.23	0.29	-0.14	0.18	0.19	0.13	-0.07	0.42	0.16	-0.23	-0.02	-0.08	0.06	-0.00	0.13	-0.05	0.12	-0.40	1.00

### 3. Debt in the Bible - Jubilee, Justice and Forgiveness

The two preceding chapters on personal debt set an agenda for Christian ethical reflection, describing a context and drawing out issues, particularly of social justice and forgiveness, which have to be addressed. To start with that (rather than, say, this present chapter), may already indicate something of a methodology which allows "the world" (rather than the Bible, or theology) to set the agenda for Christian ethics. As indicated in the introduction, the research pattern adopted here has been less linear than that, with theological, Biblical, and socio-economic strands interwoven; it is presented in this way in the hope of greater clarity, and in the belief that this is the more crucial logical direction for Christian ethical reflection which is in fact a process of dialogue among these different strands. To put it negatively, Christian ethics cannot go by a straightforward process from Biblical texts (or self-evident "Christian" principles) to concrete decisions or policies - "it is no more possible to derive a contemporary normative economics directly from the pages of scripture than it is to derive a biology from Genesis"<sup>1</sup>. The two must be in a continuing dialogue which can still accept the Bible as uniquely authoritative for Christian ethics; that demands a method which will allow the Bible to speak in the context set above, to inform Christian contributions to the dialogue.

If a Christian perspective on the issues of justice and forgiveness surrounding debt cannot straightforwardly transpose Biblical prescriptions into a very different economy today, nor can such a perspective ignore the considerable weight of Biblical material on these issues. Clearly there are complex questions between these two extremes, about how we use Biblical material fruitfully here<sup>2</sup>. This chapter will look at the Biblical material in its own context before dealing with some of the issues of application to modern economic settings.

#### The Biblical Economy

What, then, were the crucial features of the Biblical economy? Polanyi's description of an "embedded economy" enmeshed in institutions both economic and non-economic distinguishes the Biblical situation clearly from any sense of an autonomous, "free" market. "The subordination of economic organisation to social ends ... was for Polanyi a feature of all societies except that dominated by modern

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<sup>1</sup> Stackhouse, 1987, p382

<sup>2</sup> See eg Wigglesworth, 1985, pp7ff

market economy"<sup>3</sup>. We are therefore a long way from any perspective of the dangers of tampering with economic, market "laws", and it is not surprising to find in this context a "dynamic tension between aspects of cultic significance and injunctions regarding social justice"<sup>4</sup> in which the worship of God is seen as alternative to the practice of economic injustice. In Polanyi's analysis, this is not simply a matter of the economic power of church or temple (considerable though the latter was, especially by the time of the New Testament, when its redistributive role had so degenerated that it "came to be the centre of accumulation rather than redistribution to the needy"<sup>5</sup>). The point is in fact less about a balance of power than the integration of economic and other social fields whose autonomy had emerged neither in fact nor theory. As Kloppenborg says, the absence of Greek or Latin words to convey the idea of "market" in the abstract is not to be seen as an intellectual or linguistic failing but "a reflection of the structure of ancient society itself"<sup>6</sup>.

Only to a very limited extent, then, can we speak of anything which might be called a "market" operating in Biblical societies, which were much more characterised by reciprocity and redistribution as means of exchange, by patron-client rather than the theoretically equally-balanced contractual relationships of today, and by kinship as a crucial factor whereby relations with the immediate community are viewed in a different light from those with strangers (as, eg, in the matter of charging interest on loans)<sup>7</sup>. Indeed von Waldow argues that it is this thought-world of nomadic kinship associations that is the origin of the Israelite sense of social responsibility, even after the nomadic lifestyle had long since been left behind<sup>8</sup>. Chaney, too, sees "biblical traditions such as those prohibiting interest on survival loans to the poor and granting various other easements and protections to debtors (as finding) their fountainhead in the communitarian values of pre-monarchic Israel"<sup>9</sup>.

The Old Testament period is clearly one of an agrarian, land-based economy (a "sub-asiatic agrarian formation", to borrow Belo's Marxist terminology<sup>10</sup>), and while money may be seen to play a more important role in the New Testament

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<sup>3</sup> Humphreys, 1978, p63

<sup>4</sup> Sloan, 1977, p13

<sup>5</sup> Myers, 1988, p79

<sup>6</sup> Kloppenborg, 1990, p186

<sup>7</sup> See Oakman, 1991, p34/5

<sup>8</sup> von Waldow, 1970, p187

<sup>9</sup> Chaney, 1991, p129

<sup>10</sup> See Myers, 1988, p48



world<sup>11</sup> there was certainly nothing recognisable as a money-market in a modern sense<sup>12</sup>.

Within this context, land distribution is the crucial issue (whether one focuses on matters of production or distribution); land is the crucial unit both of wealth and of production. Although Middelmann claims that "there is ... no indication in the OT that land was mysteriously seen as the economic base of the people"<sup>13</sup>, there is in fact nothing mysterious about it, especially when all the Biblical and non-Biblical stress on land distribution is recognised. Thus Finley sees the demand for redistribution of land (along with the cancellation of debts) as the "perennial revolutionary programme of antiquity"<sup>14</sup>. The Old Testament also reflects a continuing resistance to the tendency for the accumulation of large estates<sup>15</sup> which is part of the background to the Jubilee and Sabbath Year legislation, and this continues into the New Testament period<sup>16</sup>. We may also note the concentration of land and property as the reverse side of the coin of debt and insolvency, the one trend reinforcing the other<sup>17</sup>.

Several commentators note this concentration as a particular characteristic of the OT age of the monarchy<sup>18</sup>, when vacant lands which should have reverted to the clan were appropriated by the king for personal use or as reward to officers<sup>19</sup>; resistance to this underlies the prophetic hostility to concentration of land and such stories as that of Naboth's vineyard<sup>20</sup>. Thus the distribution of land at the occupancy of the promised land was undermined - a distribution seen as having been based on God's ultimate ownership of the land.

Some other characteristics of the Biblical economy (or economies, since we may recognise certain developments through the period) should be noted by way of background to what follows. The economic perspective (particularly, though not exclusively, the peasant perspective) was one of limited good, producing conflict over, and interest in the equity of, distribution<sup>21</sup>; indeed, it was probably not until the

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<sup>11</sup> See Stambaugh & Balch, 1986, p63

<sup>12</sup> Finley, 1985, p23, who makes this point more generally re contemporary societies eg Rome, Greece

<sup>13</sup> Middelmann, 1987, p38

<sup>14</sup> Finley, 1985, p80

<sup>15</sup> Wright, 1984, p199/200

<sup>16</sup> Myers, 1988, p49

<sup>17</sup> See Oakman, 1985, p65

<sup>18</sup> See eg de Vaux, p73

<sup>19</sup> See eg Vallely, 1990, p207

<sup>20</sup> 1Kings 21. 1ff, see also 1Sam 8. 14

<sup>21</sup> See Moxnes, 1988, p77

industrial revolution that the economy was viewed as anything other than a "zero-sum" game, ie that while one might argue over the slicing the size of the cake to be distributed was finite and fixed (at least in terms of human control)<sup>22</sup>. When this is linked with the monarchic nature of much of the Old Testament material, a "command economy" with allocation by a central power emerges as the norm<sup>23</sup>.

The development of private property can also only be said to be beginning through the OT period. Schaeffer, for example, sees the jubilee as "a compromise between the communism of more primitive times and the institution of private landownership"<sup>24</sup>, and much of the OT legislation has to be understood within the context of a clan solidarity that was far stronger than any sense of individual enterprise. That is certainly not to say that private ownership (even of the means of production, ie land) was an idea alien to the OT, but it was only gradually developing. Wage labour was also not regarded, at least in the OT, as the norm but rather as "a temporary phenomenon, what the Oxford economist Donald Hay has called a kind of social insurance for those who lost possession of their land until the next jubilee"<sup>25</sup>. Again, however, we may see a development towards a labour market in the NT period.

Most of the above, of course, applies with equal force to other ancient economies; were there distinctive features of the Biblical economies? Gottwald, for instance, argues that Israel's egalitarian social structure represented its strongest challenge to surrounding societies<sup>26</sup>, and it is claimed that the ban on interest/usury was one sign of Israel's distinctive approach. Analysis below of the Biblical material may help to clarify this.

### Debt in Biblical Times

One fact of Biblical (as well as other ancient) economic life is crucial to the present study - debt. Despite a variety of attempts to mitigate its effects or intervene in its downward spiral, debt was a common fact of life for the vulnerable of Biblical times. As noted above, along with land redistribution, the cancellation of debts was a common ingredient of revolutionary programmes, and there is evidence from several cultures of royal proclamations of release from debt obligations. Indeed, proclamations of release from past debts may be seen as almost "a standard act of a

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<sup>22</sup> See Kloppenborg, 1990, p188

<sup>23</sup> J Kennedy, in Davies (ed), 1993, p106

<sup>24</sup> Schaeffer, 1915, p180/1

<sup>25</sup> Vallety, 1990, p202

<sup>26</sup> Gottwald, 1979, p409

new administration, as in the contemporary edicts of Draco and Solon in Athens"<sup>27</sup> (and the failure of such one-off edicts to eliminate the problems of debt may be recognised in the recurrent need for more such proclamations). Finley also notes a panic in Rome when the civil war that brought Julius Caesar to power was thought likely to lead to a "demagogic" measure to cancel debts<sup>28</sup>.

Several recent studies have examined the prevalence and causes of debt in Biblical and other ancient economies. Goodman has drawn a detailed picture of the mechanism of a supply-led expansion of credit and debt in first century Judaea, with the rich of Jerusalem looking for an outlet for surplus funds<sup>29</sup>, while Oakman sees taxation, over-population and poor harvests as more crucial factors in terms of the burden imposed on the poor<sup>30</sup>. The most substantial non-Biblical evidence comes from Josephus' account of the Jewish (Zealot ?) revolt of 66AD, when the rebels set fire to the "*archeia*", files of the official archive of debt actions. Josephus describes the burning of these records or bonds as designed to "win over a host of grateful debtors and to cause a rising of the poor against the rich", and refers to the debt archives as the "nerves" or "sinews" of the city<sup>31</sup>; he describes "the phenomenon of widespread debt among the poor" as a major part of the "sickness" from which first century Palestine suffered<sup>32</sup>. Whether the destruction of these records was merely symbolic (as Goodman suggests) or the "scoundrels under the pressure of debts imagined that if they burnt the marketplace and the public records they would be rid of all demands (as Josephus claims<sup>33</sup>), both their "targeting" by the rebels and Josephus' outrage show how crucial a source of grievance debt was.

The dissidents who joined David in the cave of Adullam included escaping debtors<sup>34</sup>, and Horsley argues that such revolts as David's and the Jewish Revolt of 66AD were the activity of bandit groups composed of peasants whose debts had led to the loss of their land<sup>35</sup>. He also suggests that "some of those who would have been attracted to the (Jesus) movement in towns or cities may well have been people recently displaced from their ancestral villages because of debts, that is, people for

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<sup>27</sup> R B Coote & M P Coote in Gottwald & Horsley, 1993, p351

<sup>28</sup> Finley, 1985, p143

<sup>29</sup> Goodman, 1983, p417ff

<sup>30</sup> Oakman, 1985, p63

<sup>31</sup> Josephus, Jewish War 11.427 (in Josephus, 1927)

<sup>32</sup> Josephus, Jewish War V11.260 (in Josephus, 1927), as cited by Goodman, 1983, p417/8

<sup>33</sup> Josephus, Jewish War V11.61 (in Josephus, 1927)

<sup>34</sup> 1Samuel 22.2

<sup>35</sup> Horsley, 1981, p409

whom the traditional forms of community had completely broken down"<sup>36</sup>. Although Freyne argues that Luke's picture of the prevalence of debt may be more Judaeen than Galilean<sup>37</sup>, there seems little doubt that for both the setting of the Jubilee and Sabbath year legislation and the environment in which Jesus lived and preached debt was a harsh fact of life and key indicator of poverty. So Finley, speaking more generally of ancient economies, says that "if one wishes to grasp the basic attitude to the poor, one must look not at the occasional philanthropy but at the law of debt"<sup>38</sup>.

The prevalence of debt is crucial to the interpretation of the texts, particularly in the light of any tendency to "spiritualise" references to the forgiveness of debts: if we are to suppose that Jesus, speaking to a crowd for whom economic debt was a crucial, imprisoning fact of life, spoke of forgiveness of debts meaning something quite different and without at least including financial debts, then his gospel is reduced to a painful irony. Rather, debt is seen as the "paradigmatic social evil"<sup>39</sup> in OT institutions like the Jubilee and in such NT passages as the Lukan sermon on the plain and the Lord's Prayer. As we shall see, Jesus' "vision of the liberation coming with the reign of God directly attacked a principal component of the Roman order in Palestine and attracted a following of people victimised by debt"<sup>40</sup>.

It would be surprising, then, if there were not a considerable amount of Biblical material relating to debt, yet precise understanding of the meaning of many of the texts in an economy quite different from our own is problematic. In particular, it appears to be an assumption almost throughout the Bible that loans are given to meet crisis needs of consumption rather than to finance expansion or production: nor is there any development in the ancient economy of what we now recognise as consumer credit. This explains the absence of any overt distinction in the Bible between loans given for need and those given for greed<sup>41</sup>; the latter is simply not envisaged. Loans are generally seen as being given charitably, and therefore "interest-taking is seen by the lawgiver as a device for trapping the poor into permanent poverty"<sup>42</sup>.

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<sup>36</sup> Horsley, 1989, p120

<sup>37</sup> Freyne, 1988, p166/7

<sup>38</sup> Finley, 1985, p40

<sup>39</sup> Yoder, 1972, p41

<sup>40</sup> Oakman, 1985, p73

<sup>41</sup> Schluter, in Hartropp (ed), 1987, p7

<sup>42</sup> Sprinkle, 1994, p171

It is vital to recall what was said above about the nature of the economy in which this happened, since a great deal of what some modern commentators say about the effects and the impracticality of the OT legislation on debt assumes the operation of a free market in money which had not developed. It is quite wrong, for example, to argue that legislation on debt remission and the banning of interest is designed to discourage lenders from lending<sup>43</sup>; any tendency in that direction through "market forces" is expressly counteracted<sup>44</sup> and lending is positively encouraged as a good work. To characterise the Biblical economic system as "laissez-faire with powerful remedies" (such as the jubilee) designed to correct the growing slope of the playing field<sup>45</sup> is attractive, but ultimately anachronistic in implying too close a similarity between the laissez-faire market economies of today and the Biblical pattern.

Also, bearing in mind what has been said above re the "embedded" economy of Biblical times, it is important to consider how debt functioned within that economy, not simply as an indicator of poverty or even as a system of "surplus extraction" whereby the rich got richer and the poor poorer<sup>46</sup>, but as a "formal expression of relations of dependency and (perhaps irredeemable) obligation"<sup>47</sup>. The most blatant example of this is, of course, the close association of debt with slavery, but Goodman goes on to describe the mechanism by which the lender could not lose - "If the debtor repaid the loan within the set time limit, the lender lost nothing and gained a grateful friend. If repayment was made after the fixed period, as perhaps it was expected to be, the fine charged in the Judaeen desert documents provided 20% interest"<sup>48</sup> (the parallel with modern credit cards is tempting, though again probably anachronistic, and the penalty for non-payment certainly more severe, ie forfeiture of land or slavery).

### Debt in The Old Testament

What, then, were the debt-related provisions of the Old Testament ? Loans to see families through the kind of temporary difficulties that an agrarian economy of uncertain harvests must face were clearly a common fact of Biblical life. Provisions to regulate these were therefore also important. Pledges which

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<sup>43</sup> Hartropp (ed), 1987, p146

<sup>44</sup> Deuteronomy 15.9

<sup>45</sup> G Moore, in Davies (ed), 1993, p117

<sup>46</sup> See Chaney, 1991, p127ff

<sup>47</sup> Oakman, 1985, p57

<sup>48</sup> Goodman, 1983, p422/3



themselves threatened the continuing welfare of the debtor (such as basic clothing<sup>49</sup> or tools for production<sup>50</sup>) were not allowed (again a modern parallel suggests itself in the restrictions on what may be sold in a warrant sale or similar legal procedures for debt recovery). There were also restrictions on aggressive methods of debt recovery<sup>51</sup> (which seem to outlaw such as warrant sale procedure !). Alongside this, of course, we would have to put the emphasis (as a matter of justice, says Schluter<sup>52</sup>) on repayment and/or working off of debts, but the weight of Biblical law and prophetic condemnation is on the impact of arrangements on the poor, ie the debtors, and on upholding their interests. The Biblical understanding of justice, here as elsewhere, is not as blind to the vulnerability of the poor as a modern Western view; God's justice is actively oriented to their rights.

Thus Nehemiah saw debt problems as threatening the whole fabric of community<sup>53</sup>, and the provisions for remission of debt have been seen as being at the heart of Josiah's reforms, in Deuteronomy 15.1ff, which, it is claimed, "would have put a quick and certain end to poverty, toppling magnate creditors, if Josiah could and would have enforced it"<sup>54</sup>.

The most obvious area of restriction, and safeguarding of the poor, is that of interest or usury, where we get a flavour of the Biblical view in that the most common word for interest in the OT is "*nesheq*", from the verb to bite. While there are signs in many ancient economies of restrictions on interest rates, Israel may well have been unique in its ban on the taking of interest within the community<sup>55</sup>. "The prohibition against lending for interest has an important place in Israelite legislation in favour of the poor"<sup>56</sup> says Epsztein, and it seems clear that the OT ban on interest arose from a sense of the threat which debt (especially long-term debt) posed to the community; it was part of a consistent attempt to avoid a spiral of increasing debt as well as representing resistance to one member of the community benefiting from the misfortune of another, an idea quite contrary to the whole notion of the covenant community. In fact, it can be argued that the ban on interest focused on its damage to relationships in the community rather than any intrinsic evil in it<sup>57</sup>. "The Holiness,

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<sup>49</sup> Exodus 22.26/27

<sup>50</sup> Eg Deuteronomy 24.6

<sup>51</sup> Eg Deuteronomy 24.10ff

<sup>52</sup> Schluter, in Hartropp (ed), 1987, p10

<sup>53</sup> Schluter, in Hartropp (ed), 1987, p9

<sup>54</sup> R B Coote & M P Coote in Gottwald & Horsley (eds), 1993, p351

<sup>55</sup> See eg Hartropp (ed), 1987, p142

<sup>56</sup> Epsztein, 1986, p124

<sup>57</sup> Hartropp, 1987, p143



Deuteronomic and Covenant Codes as well as the Psalms and the prophets consistently condemn the lending practices which encourage the accumulation of personal wealth at the expense of the well-being of the community."<sup>58</sup>

As argued above, commercial loans were almost non-existent as far as the Old Testament at least is concerned; "the loans mentioned in the Torah served more to relieve the essential needs of the poor and hungry"<sup>59</sup>. It may be argued, however, that the different provisions regarding loans to foreigners reflect the fact that such loans are more likely to be of a commercial, as well as of a more high-risk nature<sup>60</sup>. Mills attempts to argue from Deuteronomy 23.19, which unlike Exodus 22.25 and Leviticus 25.36/7 does not specify the charging of interest to the poor, the case for a quite different basis for the interest ban. However, it seems much more reasonable to read into the Deuteronomy text the presumption noted above that loans (with the possible exception of loans to foreigners) were charitable loans to those in need; the legislation in Deuteronomy simply did not envisage a modern credit market. This also seems more consistent with the OT hostility to the moneylender - a modern hero who emerges as much the villain of the OT period as was the tax-collector to NT society; his social role is perceived (perhaps accurately) in the OT as closer to that of today's backstreet loan shark rather than the city financial dealer<sup>61</sup>.

Although the New Testament may be said to assume a society in which interest is routinely charged, there is no explicit overturning of the OT position; in fact, Jesus' command to lend expecting nothing in return<sup>62</sup> (crucial to the medieval debate about usury) may point even further in the same direction. There is some plausibility in Schluter's argument that this is "a command to the individual Christian for his personal dealings" rather than one addressed to "the institutions of the market-place or those who make economic policy"<sup>63</sup>, since that appears to have been Jesus' immediate audience. However, set against the OT background and particularly the key role of the temple in the economy of Jesus' time, it is hard to see why the injunction should be so restricted in scope.

The institutions of the Sabbath year and of the Jubilee are crucial to the Biblical approach to debt and its problems. Linguistic links strongly suggest

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<sup>58</sup> Wee, 1986, p428

<sup>59</sup> Epsztein, 1986, p125

<sup>60</sup> Epsztein, 1986, p126

<sup>61</sup> Eg Isaiah 3.12

<sup>62</sup> Luke 6.35

<sup>63</sup> In Hartropp (ed), 1987, p10

parallels between these institutions and other forms of debt cancellation and release in the ancient near east, but there is little or no evidence elsewhere for such permanent and regular institutionalised forms as the Sabbath and Jubilee years appear to represent<sup>64</sup>. Biblically, the decrees of Zedekiah<sup>65</sup> and Nehemiah<sup>66</sup> seem to be "one-off" events proclaiming release from debt and slavery, rather than a legislative pattern, although these are clearly linked by their theme into the Sabbath/Jubilee cluster of legislation (referred to as "S/J" below).

I think it is appropriate here to speak of a "cluster" of legislation, referring to such passages as Exodus 21.1-11, Exodus 23.10-12, Deuteronomy 15.1-18, Nehemiah 10.32, Leviticus 25 and Leviticus 27.16-25; these belong to different periods and different codes, and differ in detail, yet may well reflect the development of one theme of debt-release and restitution for the sake of justice. The Sabbath year provides for a seventh-year cancellation (or possibly suspension, see below) of debts and release of slaves; since debt is the principal reason for slavery, these two clearly reinforce each other. The Jubilee provides for a reversion of land to the clan, and since debt is the probable reason for the loss of land, we can see this provision as again representing a decisive breaking into the spiral of debt with provision of resources for a new beginning. As Lebacqz says, "there is release in several senses: the release from indebtedness and the re-lease of the land so that people can begin again"<sup>67</sup>. In the most thorough treatment of the Jubilee, North argues for it being accepted as an unquestioned fact "that the jubilee was in essence a super-sabbath"<sup>68</sup>, and this conclusion, already suggested by the numerology of the "sabbath of sabbaths" seems a more satisfactory explanation than those that concentrate on the differences and "tension" between the two areas of legislation<sup>69</sup>.

Wright attempts to construct a distinction between the "Hebrew" of Deuteronomy and Exodus (a sociological identification referring to the poor) and the Israelites (racially and religiously defined) to whom Leviticus 25 applies, but this seems more a device to rescue the consistency of the texts for a fundamentalist perspective than an aid to appreciating the meaning. What we have, surely, is a cluster of texts which represent different attempts to address the same problem at different times (or possibly different aspects of the same problem, as when

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<sup>64</sup> See eg Neufeld, 1958, esp p55

<sup>65</sup> Jeremiah, ch34

<sup>66</sup> Nehemiah, ch5

<sup>67</sup> Lebacqz, 1987, p124

<sup>68</sup> North, 1954, p129

<sup>69</sup> See eg Gnuse, 1985, p46

Chirichigno argues that the Sabbath and Jubilee years dealt with different levels of seriousness of debt); each generation may have had its own version of debt easement because each generation encountered the problems of debt<sup>70</sup>. In them all there is a mixture of cultic and socio-economic concern, characteristic of an embedded economy and a theological perspective that seeks to express the sovereignty of God equally in worship and politics. Before going on to consider what the common theme is, however, we must look at some of the issues in the interpretation of these texts.

Wright, for example, raises a doubt as to whether the Sabbatical release from debt was a complete cancellation or merely a temporary suspension. Neufeld, however, notes a consensus that this is a discharge, and that would seem to fit better with the need for measures to counteract a credit freeze prior to the Sabbath year<sup>71</sup> and for the device of the *prosbol* (see below).

There is also disagreement on whether the seven and fifty year periods relate to the particular transaction or to a universal year of release: "the humanitarian and agricultural factors postulate a rotating-particular seventh year whereas the cultic factors presume simultaneous universality"<sup>72</sup>. It seems clear that the release of slaves envisaged in Exodus 21.1ff is after a period of six years of service, whereas the more developed and centralised society of Deuteronomy 15 seems to be the setting for a universal year of release from debts (again the evidence of Deuteronomy 15.9 on the danger of a credit freeze seems conclusive). Yet even in Deuteronomy the release of slaves appears to be after six years of service, not in a universal year of release. Doubts about the practicality of a universal fallow year in a vulnerable agrarian economy tend to influence analysis here, but it seems clear that the jubilee (with its stress on proclamation) was - at least in the terms envisaged by Leviticus 25 - a universal year of release and return, which might in turn tend to support those who argue for it as a drawing together of the various other elements in the cluster.

Thus Porter says that in Leviticus 25 "old laws concerned with economic and social relationships are collected, systematised and reinterpreted to take account of developments that had occurred in the course of Israel's history"<sup>73</sup>. Noth, however, argues on linguistic grounds (especially the use of *yobel*) for a relatively early date<sup>74</sup>,

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<sup>70</sup> See Chaney, 1991, p139

<sup>71</sup> Deuteronomy 15.9

<sup>72</sup> North, 1954, p184

<sup>73</sup> Porter, 1976, p196/7

<sup>74</sup> Noth, 1965, p184

and North on more socio-psychological grounds sees the jubilee as located in an undeveloped economy at a time of optimism and therefore as belonging to the time of the occupation<sup>75</sup>. The principal problem with such views is that later texts such as Nehemiah 5 do not appear to acknowledge such legislation. It therefore seems best to recognise the jubilee of Leviticus as having absorbed earlier legal traditions<sup>76</sup>.

Another debated issue - whether the jubilee year was the 49th or 50th or an "extra", possibly abbreviated, year - does not seem critical for the present study. However it is very much part of the discussion of the more vital issue of the practicality of the whole jubilee institution.

In making an assessment of this, it is particularly hard to escape from the assumptions of a modern economy and enter into a past age's realism. Some commentators seem to make an unwarranted jump in moving from the near-impossibility of many of these provisions in any modern society to the conclusion that they represent utopian idealism or a "quixotic institution"<sup>77</sup>.

Thus, Westbrook points out that "modern commentators, beginning with Wellhausen, have dismissed the Jubilee provisions as the work of an idealistic theologian who must have lived during or after the exile"<sup>78</sup>, while Porter sees the jubilee as designed to be a "practical basis for the restored nation"<sup>79</sup> and Segundo views Leviticus 25 as an attempt to spell out a topos or political, legislated locus for the utopian year of the Lord's favour<sup>80</sup>. If the latter modern consensus is accepted, we need not worry about the problem of how to reckon years: if we wish to challenge this, however, we must reckon with the real practical difficulties of an apparent two years without sowing or reaping, as well as the social upheaval of the jubilee land return. 2Kings 19.29 gives instructions about fallow years, and 1Maccabees 6.49 & 53 provide some evidence of the difficulties caused by observance of the Sabbath year, but other evidence of the observance of the Sabbath or Jubilee years is scant. Nehemiah 5 may be held to represent an application of S/J principles, but this is only on the one-off basis of a royal decree rather than the application of legislation felt to be binding. And Josephus provides no examples of the kind of heroic

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<sup>75</sup> North, 1954, p205

<sup>76</sup> Gnuse, 1985, p43

<sup>77</sup> Patrick 1985, p185

<sup>78</sup> Westbrook, 1971, p211

<sup>79</sup> Porter, 1976, p197

<sup>80</sup> Segundo, 1985, p205

obedience to the legislation which he claims to be characteristic of every single Hebrew<sup>81</sup>.

While the argument from silence cannot be conclusive of the non-application of the Jubilee, it does seem unlikely that the institution was a fact of Israelite life for any prolonged period. Yet that does not force the conclusion that it was never intended for practical application. As argued already, there are significant parts of the legislation that are designed to meet some of the practical difficulties; these would have been unnecessary if all that was at stake was a utopian image, and it seems to be stretching the point unduly to suggest that these are merely rhetorical devices to emphasise the possibility of its application without implying a serious expectation that it would be applied<sup>82</sup>. We may also note the practicality of steps to ensure not only that debt-slaves were released but that they had the resources to make a new beginning without immediately falling back into debt as in Jeremiah 34.8ff.

The device of the *prosbul*, in particular, seems designed to overcome some such problems in practice, indeed (by legal fiction) almost to evade the force of the legislation. Possibly in reaction to commercial development and the credit freeze around the times of sabbath or jubilee years, the *prosbul* of Rabbi Hillel was a device to allow lenders to obviate the year of release by contractual fiction, which may in fact show a pressure close to the time of Jesus for strict application of the S/J principles<sup>83</sup>. (In passing, we may reflect on the likely effects of the *prosbul* - in the short term, an opening up of credit which might help the poor, but in the longer term more likely a permanence of debt which the S/J cluster was designed to avoid<sup>84</sup> - and on the fact that here was opened the possibility of evading the Biblical injunction by private contract<sup>85</sup>.)

Despite the claims of Josephus noted above, it is hard to substantiate any consistent application of the S/J principles, nor even, with North, of an interpretation thereof "which was felt to accord with the intention of the legislator without involving cataclysmic upheavals in the national economy"<sup>86</sup>. But it is important to recognise in this cluster of legislation an evolving attempt to deal with

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<sup>81</sup> See discussion in North, 1954, p85

<sup>82</sup> Amit, in Reventlow & Hofman (eds), 1992, p55

<sup>83</sup> Yoder, 1972, p69/70

<sup>84</sup> See Myers, 1988, p78

<sup>85</sup> See Goodman, 1983, p422

<sup>86</sup> North, 1954, p85



a matter of justice in the community at a practical level and in a way that belongs to the embedded economy of the time in its mixing of religious, social and economic concerns (which may account for the modern sense of the quixotic nature of their appeal).

### The Meaning and Purpose of The Old Testament Legislation

Before seeking to derive any modern meaning for this cluster, we must try to be more specific about their meaning in their original context. There is here a vision in which "abuses and inequalities have been set aside so that the social order can reflect the will of God who acts graciously towards his people and will have them do the same to each other"<sup>87</sup>. The S/J cluster presumes an initial "just" distribution of land, reflecting the assertion of God's sovereignty, and in particular his "eminent domain"<sup>88</sup> over the land. While Griffiths is correct in his claim that this does not translate into communal or state ownership<sup>89</sup>, it equally does not lead to a modern concept of private property in land. God's ultimate ownership is reflected in the community concern against the accumulation of large estates (whether by the king or any other person or group), and therefore in interventions such as the jubilee to prevent this recurrent tendency from spiralling. The economic implications of divine sovereignty are here taken seriously.

The restoration provisions of Leviticus 25 reflect this into support for the family, as many commentators note<sup>90</sup>. However, their association with many other measures in the cluster contradicts any claim that the preservation of "the family" (however understood) is the main aim here; rather, they are a key part of the "social security system" of the Old Testament<sup>91</sup>; the fundamental concern is the economic justice in which the welfare of the whole community is safeguarded. Those who would stress the preservation of "the family" as its aim fail to reckon with its refusal to let the problems of one generation determine the life chances of the next (fifty years probably representing a generation in this regard) and equally to let the success of one generation be passed down to the next (a cornerstone of "new right" defences of the family). Novak argues that it is the preservation of the Sabbath that is the dominant concern (rather than lending to the poor), on the ground that "the Sabbatical year was a reality for all whereas the need for loans was the reality only

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<sup>87</sup> Rogerson & Davies, 1989, p245

<sup>88</sup> North, 1954, p158/9

<sup>89</sup> See Vallely, 1990, p201

<sup>90</sup> Eg North, 1954, p215 & Wright, 1984, p198

<sup>91</sup> Biggar & Hay, 1994, p60



of a poverty-stricken few"<sup>92</sup>. This is doubly to miss the point; those in need of loans were more than a few, and the purpose of the Sabbath - "made for man" - is that God's sovereignty should be reflected throughout the life of the nation, in justice that demands the forgiveness of debts breaking into the spirals of growing poverty. The laws of debt-release are not (as elsewhere) signs of the occasional benevolence of a ruler but part of a "holy rhythm" which links the practicalities of social justice firmly into the community's relationship with God and is "given its beat by the treatment of the dependent"<sup>93</sup>.

The S/J legislation is based on equality in God's sight, and thence on equality of human needs<sup>94</sup>; it seeks to limit inequalities that develop, to "forestall human greed and chicanery from being institutionalised in a way that kept the poor permanently from having access to resources"<sup>95</sup>. While it is fair to argue that a simple economic equality of result is not necessarily the basic content of this justice, it is clear that intervention to prevent inequality feeding on itself is a vital part of the justice that reflects God's will and purpose for the community; the redistribution of "immoderately concentrated wealth" is not a question of charity but of rights - a "debt in justice"<sup>96</sup>. "The jubilee makes clear that justice is neither primarily retributive nor distributive; it is restorative or corrective"<sup>97</sup>, which is, for Lebacqz, what makes it such a potent image for justice in an unjust world, an active policy rather than idealistic blueprint. In the jubilee, God's justice is reflected; in the jubilee, therefore, we learn about the character of that justice and how it is to be realised. It is in one sense a response to God's action - "The transformation of the exile is and remains a divine wonder. It demands a human response. They must proclaim the release of debt"<sup>98</sup> - in another sense, it is a response to injustice and arises from the Biblical insight that "there is something profoundly wrong with a system that traps people in debt, offers no hope of escape and excludes them from active participation in society"<sup>99</sup>.

The dominant concern of this cluster of legislation (indeed the theme which holds the cluster together) is debt and the problems for individuals, families and the

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<sup>92</sup> Novak, in Berger (ed), 1990, p42

<sup>93</sup> Hamilton, 1992, p108-114, 136

<sup>94</sup> See Soelle, 1992, p96

<sup>95</sup> Crosby, 1988, p173

<sup>96</sup> North, 1954, p222

<sup>97</sup> Lebacqz, 1987, p128

<sup>98</sup> Baltzer, 1987, p482

<sup>99</sup> Jubilee Policy Group, 1991, p34

whole community which result from that. Wenham says quite simply that "the main purpose of these (jubilee) laws is to prevent the utter ruin of debtors"<sup>100</sup>. Yet others point out that the jubilee provisions themselves do not explicitly deal with debt-release; "it does not prescribe a release of debts, except in the interpretation of Josephus"<sup>101</sup>, but, recalling what has been said above about the prevalence of debt, Josephus is correct in concluding that the rehabilitation of the debtor is the purpose of the jubilee and the basic sabbath-year release from debts must in some sense be implied in its provisions. "To release a man from indenture and to restore to him his patrimony is to cancel all his debts, since these two conditions represent the final stages of bankruptcy"<sup>102</sup>. Indeed, it is quite reasonable to draw parallels between the S/J cluster and modern bankruptcy law as responses to similar circumstances of hopeless debt, with the vital difference that modern bankruptcy law aims more at securing "justice" among creditors than the rehabilitation of the debtor which is the priority for the OT<sup>103</sup>. Sayle's call, noted above, for us to "depawn the old ram's horn, breathe deep and let rip one mighty debt-dissolving, economy-reviving, interest-slashing, bank-baffling blast"<sup>104</sup> may never have been intended to be taken literally, but it does dramatically capture the urgency with which the Old Testament views the problem of debt and the need for counter-measures which allow for the rehabilitation of the debtor in the interests of the community.

Perhaps we should come back down to earth by recalling again the stress which some claim the OT also places on repayment of debts in eg Psalm 37.21. Schluter argues that while "those brought up in Western tradition often believe a poor man has a right not to repay a rich creditor simply on the grounds of his being poor ... the OT recognises no such right"<sup>105</sup>. Quite the contrary; the stress may not be on any "right" to refuse repayment, but creditors' rights are never seen as absolute in the Bible. The S/J cluster undermines any sense of the absolute justice of contractual obligations, and, in stressing much more the ban on usury and on taking pledges which inhibit livelihood, the OT recognises the crucial relevance for justice of the realities of power in contracts.

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<sup>100</sup> Wenham, 1979, p317

<sup>101</sup> North, 1954, p32

<sup>102</sup> Sloan, 1977, p7/8

<sup>103</sup> See Ch1 above

<sup>104</sup> Sayle, 1992, p10

<sup>105</sup> Schluter, in Hartropp (ed), 1987, p7

This radical transformation of the situation created by unfair concentrations of property - "the most radical household command of the liberator Economist"<sup>106</sup> - has elements of release, redistribution, remission, restoration, and liberation (the liberation that is the characteristic of the Sabbath, writ large in the jubilee). Assman is therefore right to say that it is not adequately reflected in "perverse jubilees" of highly conditional international debt forgiveness which are accompanied by "fresh mechanisms of subjection and dependency"<sup>107</sup>. To modern (Hayekian) eyes it may well seem to benefit the inefficient, giving them the same property as if they had been efficient; in its OT setting it seeks social justice by means of the forgiveness of debts.

In the S/J cluster of socio-economic legislation, forgiveness has an economic reality as part of justice rather than as a competitor to justice. Thus Assman is right in seeing it as an unbiblical "perverted" understanding of justice which sees it as "just" for Third World nations to pay their debts, and a departure from justice to forgive these debts<sup>108</sup>. That is the reverse of the thinking which underlies the S/J legislation, where, as North says, "just as a man must forgive his neighbour seventy times seven times (Matthew 18.22) so he should relinquish his claim on a neighbour's property after seven times seven years"<sup>109</sup>. We shall see below how this concrete sense of forgiveness in the OT is carried into the NT.

### The Debt Code

Before that, however, some consideration must be given to the way in which Belo and others have built on the OT stress on debt in the analysis of what he calls the debt code. Belo finds just two basic systems operating in the legislative texts of the Old Testament - a pollution (or contagion) code (broadly associated with priestly concerns) and a debt code (broadly found in the social concerns of OT law) - and reads Jesus as excluding the former to make way for an internationalised and radicalised version of the latter<sup>110</sup>. I do not propose to go into detailed criticism of this approach, but I would want to say that it seems inevitably reductionist in its attempt to reshape all the disparate legislation of the OT into these two categories, but helpful in at least two aspects.

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<sup>106</sup> Meeks, 1989, p88

<sup>107</sup> Assman, in Jones (ed), 1988, p20

<sup>108</sup> Assman, 1990, p59

<sup>109</sup> North, 1954, p210

<sup>110</sup> Belo, 1981, *passim*, esp p38 & p294

Belo rightly builds on the parallels between "debt" and "sin" (basing this especially on the fact that many of the OT words for forgiveness, translated in LXX as "*aphiemi*", have their roots in the cancellation of debts). However, the consistent use of "debt" for "sin" is not always true to the Biblical language and may serve to confuse the issues. In linking the OT emphasis on debt with its understanding of sin, Belo says that he prefers the language of debt to the language of sin "because that is the meaning underlying the Aramaic word that New Testament Greek translates as "*aphesis*"<sup>111</sup> (fundamentally a release or letting go); again this is indeed part of the truth. "Partly by way of the cultus, partly by way of prophetic preaching, the OT developed with increasing force the thought that man's sin makes him a debtor before God", although it is only in later Judaism (which views the relationship between man and God in legal terms) that the metaphor of indebtedness is more fully developed in the direction of man getting in arrears with good works and thereby becoming indebted to God<sup>112</sup>.

This link between debt and sin is perhaps more straightforward in the different setting of the "sub-Asiatic agrarian" economy: "unlike the Israelite notion of debt ... which was rooted in the practice of reciprocity and gift exchange, our modern debt code is based on an ideology of social contract and a political economy of market exchange; thus we instinctively think of debt in economic terms"<sup>113</sup>. So too Polanyi speaks of the "capacity of primitive society to produce indebtedness of a non-economic nature"<sup>114</sup>. This seems to locate debt and sin both firmly in terms of relationships, without in any sense diminishing the importance of financial debts to the Biblical picture. I will explore this further below when I consider the NT use of some OT passages, since this is more clearly developed in the New Testament.

The other vital part of his case lies in seeing the purpose of the debt code "rooted in the peasant political economy of reciprocity" as being "to promote justice and equity in the community"<sup>115</sup>, or in Belo's own words "the object of the debt system ... was social equality"<sup>116</sup>. It is, then, in the context of a drive for social justice, in which debt is seen as the paradigmatic social injustice and justice is

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<sup>111</sup> Belo, 1981, p39

<sup>112</sup> Hauck, 1964-74, p565

<sup>113</sup> Myers, 1988, p71

<sup>114</sup> Polanyi, 1968, p198

<sup>115</sup> Myers, 1988, p73

<sup>116</sup> Belo, 1981, p56

promoted, crucially, by the forgiveness of debts, that the Biblical legislation on debt and related topics is to be seen.

### Debt in The New Testament

Along with the S/J cluster, this understanding of debt as paradigmatic for sin (and therefore of a social understanding of sin as more than merely derivative) takes us forward into the New Testament, where the Nazareth pericope of Luke 4.16ff seems to suggest a link between Jesus and the Jubilee (particularly in the light of evidence that the jubilee laws were used as inspirational basis for radical action on other occasions)<sup>117</sup>.

In his very thorough study of the jubilee imagery in the NT, Sloan makes a strong case for the programmatic incident at Nazareth having clear jubiliary roots and meaning for the audience, both verbally and thematically. In returning to Nazareth, Jesus may have been living out the jubilee return<sup>118</sup>, possibly at the start of a Sabbath year<sup>119</sup>; in reading the verses from Isaiah 61, he would have evoked jubilee imagery familiar to his synagogue listeners<sup>120</sup>; thus Yoder concludes that Jesus proclaimed in AD26 a jubilee "able to resolve the social problem in Israel by abolishing debts and liberating debtors whose insolvency had reduced them to slavery", which would be a "refreshment" which would prefigure the re-establishment of all things, a messianic eschatology realised in Jesus<sup>121</sup>.

Mediated through Isaiah 61, the jubilee image had become eschatological and messianic. This does not mean, as Middelmann claims, that the proclamation of the jubilee year was always purely a reminder of what would come when God's rule was established, without any immediate socio-economic relevance<sup>122</sup>; "the text (in Isaiah 61) is still seen as describing literal activity, but Israel has moved from doing to receiving and the time for this activity has been moved from the present to the future"<sup>123</sup> The fact that, by the time Jesus echoed it at this keynote moment, the jubiliary imagery had acquired this significance did not empty it of its primary socio-economic meaning<sup>124</sup>; the work and words of Jesus confirmed and re-interpreted that meaning, affirming the jubilee as a demand expressing God's sovereignty and

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<sup>117</sup> Numbers 36, Jeremiaiah 34, Ezekiel 45, all cited by Blosser, 1979, p77

<sup>118</sup> J M Ford, in Cassidy & Scharper (eds), 1983, p82

<sup>119</sup> Blosser, 1979, p316

<sup>120</sup> See eg Sloan, 1977, p89

<sup>121</sup> Yoder, 1972, p74 & 76

<sup>122</sup> Responding to Mott, 1987, p38

<sup>123</sup> Blosser, 1979, p75

<sup>124</sup> See North, 1954, p231



justice - "telling them that jubilee is God's call for his people to correct the inequalities that have come up among them"<sup>125</sup>. In the Nazareth pericope, the shock of the "today" in Jesus' words after reading from Isaiah 61 was that the jubilee proclaimed was no longer postponed to an eschatological age to come, a theological utopia, but sought "to insinuate itself in the very existence of the real world"<sup>126</sup>, through Jesus himself. As a conflict story, this incident describes the opposition to this good news for those trapped in literal indebtedness, from those who routinely profit from the patterns of indebtedness that characterise "business as usual"<sup>127</sup> and who pay lip-service to a jubilee that will never come.

The Isaiah/Lukan passage is "one which states the messianic expectation in the most expressly social terms"<sup>128</sup> (especially if we understand that the "captives" are most likely those imprisoned or enslaved through debt<sup>129</sup>), and the poor, to whom this message is good news, are those who welcome the "announcement of the jubilarious reversal of their socially oppressed condition"<sup>130</sup>. Thus, Sloan also points out that "*dektos*" in Luke 4.18 translates the Hebrew "*rasan*" of Isaiah 61.2, a word which in its verbal form refers to the payment of debts. Of course, even in Yoder's understanding of the gospel as jubilee, the gospel indeed "seeks more than the attainment of well-being and efficacy determined on the world's narrow distributional and compensatory terms" (ie more than debt remission, slave remission and wealth redistribution)<sup>131</sup>, but to jump from this to a spiritualised reading which denies the socio-economic dimension or relegates it to the sidelines is to distort the gospel which Jesus' listeners heard at Nazareth and elsewhere - "to interpret jubilee as merely a material paradigm for spiritual truth (where forgiveness of debts means God's forgiveness of our sins ...) is a severe distortion of the very thing which Jesus was deliberately emphasising"<sup>132</sup>.

The recognition of Jesus as a herald of the jubilee is characteristic not only of Luke's gospel<sup>133</sup>, but is also a strong dimension of Matthew's Jesus, for whom a "Sabbath-Jubilee societal conversion" was a crucial theme<sup>134</sup> and debt-forgiveness a

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<sup>125</sup> Blosser, 1979, p258

<sup>126</sup> Fager, 1993, p121

<sup>127</sup> Ringe, 1985, p79

<sup>128</sup> Yoder, 1972, p34/5

<sup>129</sup> See Miller, 1975, p418

<sup>130</sup> Sloan, 1977, p115

<sup>131</sup> Zimbelman, 1992, p390

<sup>132</sup> Blosser, 1979, p296

<sup>133</sup> Sanders, 1992, p280

<sup>134</sup> Crosby, 1988, p190



demand for entry into the kingdom<sup>135</sup>. Arguing (in support of Trocme) that Jesus' understanding of the kingdom is generally rooted in the prophetic understanding of the jubilee year, Yoder cites Luke 6.17ff, Matthew 18.23-35, Luke 16.1ff, as well as the Lord's Prayer, as instances where Jesus is, in effect, saying "practice the jubilee" and recognising debt as the paradigmatic social evil: "in the 'Our Father', then, Jesus is not simply recommending that we might pardon those who have bothered us or made us trouble, but tells us purely and simply to erase the debts of those who owe us money"<sup>136</sup>. Ringe would add Matthew 11.2-6 and Luke 7.18-23 (+36-50) as further echoes of the jubilee imagery of Isaiah 61. While (surprisingly) doubting whether Jesus himself knew of the jubilee associations of much of his message, she concludes that "the message brought by Jesus to mark the experience of humankind at the near boundary of God's reign was in fact, if not necessarily in conscious intent, a Jubilee message"<sup>137</sup>. Jesus' attack on the Temple trade (Mark 11.15-33) may also be claimed as a recapturing of it as house of prayer and therefore of cancellation of debts when its redistributive role had been subverted into penalising the poor in the name of the "debt system"<sup>138</sup>. And Luke 12.29-31 parallels Leviticus 25.20-21 with regard to anxiety over the faith risk of the Sabbath year. We may well also see the parable references to debt not purely as using debt as a metaphor, but as part of "Jesus attempt to publicly express critical truths in ... a repressive political context" which would allow only indirect references to serious economic problems<sup>139</sup> ("the public authorities undoubtedly would have perceived even in the hint of a public proclamation of the abolition of debt a subversive revolutionary agenda"<sup>140</sup>). Just as debt had not disappeared as a social phenomenon by the time of the NT, then, neither has reference to the S/J cluster of legislation dealing with it been lost in the gospels; its prominence in the Nazareth pericope is picked up repeatedly through the gospels, typically in the Lord's Prayer.

### Forgive Us Our Debts

That the Lord's Prayer is a jubilee prayer is a matter of academic controversy, but what is clear is that it shares jubilee concerns and imagery, most notably in the "debts" petition. But how literally (ie economically) are references to "debts" to be understood in this and other New Testament passages ?

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<sup>135</sup> Crosby, 1988, p168

<sup>136</sup> Yoder, 1972, p66

<sup>137</sup> Ringe, 1985, p89

<sup>138</sup> Belo, 1981, p182

<sup>139</sup> Oakman, 1985, p68

<sup>140</sup> Oakman, 1985, p73

Immediately, we may note the linguistic differences between the Matthean and Lukan versions. Matthew, at 6.10, uses "*opheilema*", which primarily refers to economic debts, but in his gloss on that verse in 6.14/15 uses "*paraptoma*", translated "failings" or simply "sins" and lacking the concrete economic reference of "*opheilema*". Luke, in 11.3, first uses "*hamartias*" (sins) and then "*opheilonti*" (debtor). It seems clear that these three Greek terms are all attempts to translate the Aramaic "*hobha*" in which the notions of debt and sin are intertwined (which is hardly surprising in terms of the OT background and "debt system" discussed above).

Bailey argues that the Lukan version, in changing the word for "debt" between the two clauses, tries to accommodate the double-sided nature of the Aramaic<sup>141</sup>, and one might see the Matthean gloss in the same terms. Yoder, however, argues that the gloss arises from a desire to broaden the obvious material meaning of debts; similarly, Sloan says that "the spiritualising comments of Matthew 6.14-15 still assume that the particular activity of forgiving the real financial debts of one's fellow man is to be included in the now broadened injunction to forgive the sins of one's fellow man"<sup>142</sup>. This would seem to be borne out by the established connection between Matthew 6.12 and Deuteronomy 15.2. The reference to human activity in the second clause, especially in the Lukan version, is so striking in the context of the whole prayer that it can neither be ignored nor discounted in terms of its importance to Jesus<sup>143</sup>.

As Kloppenborg points out, debt and bread were "the two most immediate problems facing the Galilean peasant, day labourer or non-elite urbanite"<sup>144</sup>. Oakman therefore reads the "debts" petition in synonymous parallelism with the previous "bread" petition, thus drawing together what more "spiritual" interpreters would pull apart, and arguing that "rather than infractions against God, Jesus primarily asked through this petition for release from the earthly shackles of indebtedness"<sup>145</sup>. Especially in the light of what is said above about the prevalence of debt in Jesus' audience, "would such people have made no connection between their material need

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<sup>141</sup> Bailey, 1976, vol2, p78

<sup>142</sup> Sloan, 1977, p141

<sup>143</sup> See Jeremias, 1977, p103

<sup>144</sup> Kloppenborg, 1990, p192

<sup>145</sup> Oakman, 1985, p72

and the most profound expression of the aims of the Jesus movement, ie the Lord's Prayer?"<sup>146</sup>.

Several commentators have noted the tendency of modern English translations to render invisible the material/economic significance of the petition, some suggesting cynical reasons for this. Thus Hinkelammert (thinking of the text in the context of modern Third World debt) says that "to continue to speak of the forgiveness of debts as a condition of God's forgiveness of our debts would have turned out very expensive for those who want to have the debt repaid. It is much less expensive to change the translation of a text, even though it is a sacred text"<sup>147</sup>. That may be over-cynical, but it is surely important to keep the material reference in clear view, if only so that the shades of meaning may continue to interpret each other.

The harsh facts of life and spiritual needs are not consigned to separate compartments here; sin and debt are inextricably linked. But it matters precisely how we categorise this link. To describe debt as a Biblical metaphor for sin reduces the significance of financial debt to the level of such other metaphors for sin as that of the archer "missing the mark"; the remission of debt is more than a metaphor, or even an illustration, perhaps an image or paradigm of the kingdom. Whatever the appropriate terminology, it is clear that disciples cannot anticipate the kingdom without forgiving real, financial debts. Bearing in mind the "peasant perspective" of the gospels, it is hard to see how it could be otherwise. If Jesus' words on debt and forgiveness are merely metaphors without concrete reference, his audience - for whom debt was certainly one of the hard facts of life - were the victims not merely of a possible misunderstanding but of something more cruel. On the contrary, the NT shows more awareness of the realities of a subsistence economy from the underside than does most contemporary Greek or Roman literature<sup>148</sup>, and only a modern spiritualising presumption can undermine the material reference of the Lord's Prayer, and other gospel references to debt.

Not that these are always straightforward. The parable of the "crafty steward" (Luke 16.1ff) - which has its roots in peasant debt-slavery at the time of Jesus<sup>149</sup> - may be one warning sign for us of the complexities of the Biblical perspective on debt, although even here the emphasis is on the generous grace of the

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<sup>146</sup> Oakman, 1985, p73

<sup>147</sup> Jones (ed), 1988, p18

<sup>148</sup> Stambaugh & Balch, 1986, p64

<sup>149</sup> Yoder, 1972, p 72

steward which his master cannot repudiate<sup>150</sup>. Another difficult passage (Matthew 26.11) in which Jesus appears to be content with continuing poverty, also has roots in Deuteronomy 15 (especially v4 & v11), in which context it emerges that Jesus is saying that charity will not itself eradicate poverty - "the routine relief-works the disciples wanted to promote perpetuate the process of pauperisation rather than eradicating it"<sup>151</sup>; only the radical new beginning envisaged in the S/J cluster can successfully undermine the structures of inequality that are reflected in debt.

Modern notions of capital and investment are quite foreign to New Testament thought, but what is clear is that "debt is ... abhorred in the Jesus movement group, and forgiveness of debts (sins) assumes the rank of a core value of the gospel tradition"<sup>152</sup>. In terms of the "debt code", Jesus transforms a "sin-management" system into action for liberation from sin/debt, breaking into the circle of reciprocity and the vicious circles of injustice to achieve justice by forgiveness.

The crucial word is "*aphesis*", which Bultmann says "significantly modifies the verbs of remission or forgiveness, since the original sense of the Hebrew verbs is that of cultic removal or expiation of sin, while '*aphienai*' has a legal sense"<sup>153</sup>. Since it translates *yobel*, *deror* and *semitah*, it clearly carries echoes of the jubilee, recalling that cluster of imagery when it is used in the New Testament (especially in Luke-Acts) for forgiveness. Its primary meaning is that of legal release, from obligations such as debt or even marriage, and then, by extension, of forgiveness. Thus intrinsically it "does not go too well with 'sin'"<sup>154</sup> and in LXX, it rarely, if ever, means forgiveness (in a moral sense), the only possible instance being Leviticus 16.26 in relation to the scapegoat ritual when the primary meaning is probably more in terms of sending away<sup>155</sup>.

In the New Testament, not only is it a key word at programmatic points in Luke-Acts, but it echoes, in different senses, around the passion narratives (eg Matthew 27.50, Mark 15.37, Matthew 26.56, Luke 23.34). It is, then, a word which not only reminds us of the literal sense of forgiveness of debts but maintains the sense of forgiveness as costly liberation; more common in the gospels as a verb than a noun, it is the dynamic of God's justice, whose prototype is release from the

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<sup>150</sup> Bailey, 1976, vol1, p110

<sup>151</sup> Sugirtharajah, 1990, p104

<sup>152</sup> Oakman, 1991, p38

<sup>153</sup> Bultmann, 1964-74, p509

<sup>154</sup> Hauck, 1964-74, p565

<sup>155</sup> See Sloan, 1977, p37

vicious cycle of debt. We may also note that it also forms part of the Biblical association of healing with forgiveness - healing as release from powers that prevent fullness of life; as Horsley says, "the link between healings and forgiveness is thus also rooted in, but provides a transformative response to the prevailing social conditions of poverty and indebtedness"<sup>156</sup>.

Thus, as Ringe says, the onset of God's reign is marked by "forgiveness and release from the patterns of debt and obligation by which the old order is maintained"<sup>157</sup>. Again, recognition of the spiritual dimension of this release should not be allowed to privatise its meaning or undermine its economic reference; we look toward an "'economy' of forgiveness" in which we participate as both forgiver and forgiven<sup>158</sup>, and the 'economy' referred to is more than metaphor. Economic realities (especially the harsh ones such as debt problems) are the areas in which the impact of God's reign will be first felt<sup>159</sup>.

This is particularly (though not exclusively) true of Luke's gospel, where the "proclamation of the kingdom is coloured by economic language"<sup>160</sup>. Moxnes makes a strong case for reading Jesus as representing a return to old values of internal solidarity - "a return to a simpler form for social organisation based on the solidarity of the village community and a rejection of the patronage system controlled by the rich elite"<sup>161</sup>. This could be heard as an echo of the different rules re interest charged to kinsmen and to those outwith the community, and perhaps of the exclusion of "urban" property from the jubilee principles (Leviticus 25.29-31). Lang, for example, notes that "the generosity and amity usually shown towards a kinsman have no place in the market and are supplanted by pure calculation of profit"<sup>162</sup>, and Oakman sees Jesus as resisting the urbanising pressures typified by rigorous accounting for debt - "the ruthless accounting of debts and balanced exchanges are renounced", he says, in favour of the general reciprocity of the village community<sup>163</sup>. As we shall see below<sup>164</sup>, in the parable of the good Samaritan and elsewhere, Jesus may be seen as seeking to internationalise the solidarity of the early covenant community rather than leave the developing market to the profit motive alone. Yet,

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<sup>156</sup> Horsley, 1989, p127

<sup>157</sup> Ringe, 1985, p77

<sup>158</sup> Ringe, 1985, p79

<sup>159</sup> Ringe, 1985, p92/3

<sup>160</sup> Moxnes, 1988, p155

<sup>161</sup> Moxnes, 1988, p159

<sup>162</sup> Lang, 1985, p89

<sup>163</sup> Oakman, 1986, p215

<sup>164</sup> Ch5b appendix



while Jesus did proclaim a kingdom which had echoes of the past, he was also clearly announcing something new. We are not being faithful to the gospel if we reduce its radical message to a hearkening back to some good old days in a way which ignores the changed economic and other realities of our own time.

Of course, one response to changed situations is to soft-pedal or even gradually ignore aspects of the gospel. That seems to have happened with the emphasis on debt we have discovered throughout the OT and gospels. Economic language of debt is much less prominent in the Epistles, despite Paul's fondness for metaphors from the market-place; perhaps this represents his writing for communities that do not share the peasant perspectives or debt problems of the gospel audience, and his preference for "*charizomai*" over "*aphiemi*" as the verb of forgiveness may reflect a theological desire in that context to stress God's grace rather than economic liberation. "*Charizomai*", however, also can refer to forgiveness of debts (eg Luke 7.42/3) and may serve to link that forgiveness with God's grace. (Yet there is still the irony that many of those Protestants who insist most strongly on grace rather than merit in meeting spiritual needs often reverse the order when it comes to material needs<sup>165</sup>.)

### Towards Today

What we have done thus far is to locate Christian ethical reflection on debt within the discussion of justice and of forgiveness, both of which are seen as key activities of God demanding human response in the community. What, then, can be made of this rich vein of Biblical material towards a Christian contribution to the current debate? This cannot simply be a recovery of a lost blueprint which can then be applied to modern economies, but must be a matter of finding a way of translating kingdom values into modern markets.

It might be helpful to begin with some brief consideration of how the church has dealt with these questions over the generations. From the beginnings of Christianity, issues of wealth and poverty were "indissolubly connected with the meaning of salvation"<sup>166</sup>, and remission of debt was a fundamental dimension of that concern<sup>167</sup>. Gonzalez is able to cite many of the Church Fathers on this economic theme<sup>168</sup>, yet also notes that Augustine, while a strong opponent of usury in

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<sup>165</sup> Biggar & Hay, 1994, p55

<sup>166</sup> Gonzalez, 1990, p233

<sup>167</sup> Gorringe, 1994, p141

<sup>168</sup> Gonzalez, 1990, *passim*



principle, protested at the "great crime" of those whose rebellion destroyed the "extortionate letters of credit by which the rich held (the poor) in bondage"<sup>169</sup>. In itself, that is symptomatic of the way in which "the liberation signalled by the church's stunning doctrine of forgiveness, not least of debt, gradually slipped off the church's agenda (through Platonic and Stoic tendencies), until the empire's organisation in the fourth century of great estates, including the churches', worked by serfs made the key freedom from debt a dead issue"<sup>170</sup> (or at least one to be evaded by the church).

Usury, however, remained a major preoccupation of Christian ethics throughout the medieval period, until it also gradually disappeared under economic pressure after the Reformation. Ruston has outlined a process whereby the Fathers' discussion of usury within a (Biblical) framework of justice that was "distributive, or rather redistributive" degenerated into a "formalistic cul-de-sac" (of philosophical theory about the unproductive nature of money) which was unable to deal with the economic changes of emergent capitalism<sup>171</sup>. Luther still preached against usury and urged his fellow-pastors to refuse communion to usurers; he saw it as "living off the bodies of the poor", and was concerned "not merely about an individual's use of money but also about the structural social damage inherent in the ideology of the 'laws of the market'"<sup>172</sup>. At one point, he argues for Christians to give serious consideration to practising a jubilee<sup>173</sup>; however, when some of his more radical followers suggested remission of debts on a Jubilee model as normative for society at large, Luther resisted this attempt to "make God's free grace into social legislation"<sup>174</sup>.

Although there were signs (eg in the Jesuit Molina) of some change in the medieval rigidity, Calvin probably led the way into an acceptance of interest under stringent conditions. It may be rightly claimed that Calvin dealt with interest "as an apothecary deals with poison"<sup>175</sup>; he is quite clear that the ban on usury is for the protection of the poor, and scathing about the money-lenders who "sit at their ease without doing anything and receive tribute from the labour of all other people"<sup>176</sup>. He

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<sup>169</sup> Gonzalez, 1990, p221

<sup>170</sup> Coote & Coote, 1990, p122

<sup>171</sup> Ruston, 1993, p171ff

<sup>172</sup> Lindberg, 1993, p113

<sup>173</sup> Luther, 1962, p308

<sup>174</sup> Lindberg, 1993, p116

<sup>175</sup> See Goyder, 1987, p102

<sup>176</sup> Calvin, 1845, p213 (on Psalm 15)

did, however, distinguish between loans for consumer purposes (typically the relief of distress) and loans for productive purposes, which were probably not envisaged in the Bible but became the basis of capitalism; on the latter, moderate interest might be charged, in compensation for loss of use of the money and the risk involved. This tentative opening of a door was more important than the conditions with which Calvin surrounded it, especially when he went on to say that only equity (and not the rules of casuistry) could decide when interest was justified and to what extent<sup>177</sup>; "Calvin's indulgence to moderate interest ... was remembered when the qualifications surrounding it were forgotten"<sup>178</sup>. Thus the watershed had been crossed and the church, for which usury had been arguably the major issue of the medieval period slowly came to terms with the changes in the economy and the emergence of capitalism. Whether this is seen simply as an accommodation or as a creative rethinking in the light of changed circumstances may be a matter for argument, but it seems to me that, if the medieval thinking had been grounded more in the Biblical background outlined above and less in philosophical ideas of the productivity or otherwise of money, Christian ethics might have retained something more credible and creative to say than has been the case. Tawney sees this point as the one at which expediency (under the guise of equity) is substituted for supernatural injunction as the criterion which opened up Christian ethics to the development of capitalism<sup>179</sup>; more sympathetically, Preston sees Calvin's as an "interim ethic" on the way toward a secular theory of the market"<sup>180</sup>. We may certainly note that from this point Christian ethics started to lose any substantial concern for issues of interest and debt until recent studies inspired by the Third World debt crisis. Advocacy of any kind of interest-rate ban would appear to be confined to the Islamic world (where it is claimed not to hinder entrepreneurial activity, although debt problems remain<sup>181</sup>) and to fringe groups within Christianity (my own research showed no substantial correlation between advocacy of restrictions on interest rates and church involvement).

Before moving to the present day, two other practical expressions of a Christian economic ethic are worth noting. In the medieval period the Franciscans eventually gained Papal support for their "montes pietatis" developed to offer cheap loans to the poor and precursors of the municipal pawnshops of later generations in

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<sup>177</sup> See Schulze, 1985, p63-65

<sup>178</sup> Tawney, 1925, p120

<sup>179</sup> Goyder, 1987, p102

<sup>180</sup> Preston, 1987, p6

<sup>181</sup> See Firth & Yamey, 1964, p33, & Nomani & Rahmeni, 1994, *passim*

continental Europe. They saw these as derived from the same concern for justice as informed the ban on usury, but were strongly opposed by moral theologians whose more formalistic approach saw these as in breach of the church's teaching on usury since interest was charged, though at a much lower than "market" rate<sup>182</sup>; preservation of the form of a Biblical injunction can become destructive of its purpose and content.

Reaching closer to home and to the present day lies the institution of sanctuary for debt, grounded in the Mosaic law of cities of refuge. Hannah speaks of a "mercenary and mischievous trade" in protection by unscrupulous churchmen leading to the demise of ecclesiastical sanctuary<sup>183</sup> (much, perhaps, as the medieval church abused the power of forgiveness). Certainly, after the Reformation, the church in Scotland abolished the right of sanctuary for all except debtors, but the area around Holyrood Abbey remained a sanctuary for debtors until well into last century, only falling into disuse once imprisonment for debt was effectively abolished. It is difficult to be precise about the significance of this (particularly when the Holyrood sanctuary had probably more royal than ecclesiastical roots), but the opportunity of sanctuary (the "privilege of girth") attracted some notable residents, including a future French king and a steady stream of "distinguished English characters"<sup>184</sup> (although its attractiveness was probably highly relative). Closely linked with what would now be called bankruptcy, it may be seen as indicative of attitudes towards debt and debtors; there was, for example, provision for debtors to emerge from the sanctuary on the Sabbath, and even to attend meetings of the General Assembly of the Church of Scotland<sup>185</sup>! Set in that context, of a generally more tolerant attitude to debt than might seem the case today, sanctuary for debtors was "an important element of justice"<sup>186</sup>.

It would be hard to make of these a continuing story of coherent development of a Christian ethic of finance and economics, even if we were to examine the works of such as Adam Smith, who saw his economic theory as bound up with his theology, or Thomas Chalmers, who propounded strong economic views as a leading churchman, but there is evidence that the distancing of the church from "secular" economic thinking is of recent origin and the Christian concern for debtors

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<sup>182</sup> See eg Ruston, 1993, p171ff

<sup>183</sup> Hannah, 1927, p60

<sup>184</sup> Ewan, 1988, pp59 & 63

<sup>185</sup> Hannah, 1927, p55

<sup>186</sup> Ewan, 1988, p65

and their problems is not an invention of recent radical theology; rather it is an attempt to recapture something lost to the modern claim for the autonomy of economics and the market.

If the need for theologians and economists to do some thinking together, as suggested by Meeks<sup>187</sup>, suggests some serious Christian ethical reflection on these Biblical themes and their application to current situations, the question remains as to how we cross the cultural divide. The approach of the Jubilee Centre in Cambridge is to speak of a "ladder of abstraction" up which we move slowly and cautiously in order to retain loyalty to the Biblical witness while still speaking to the present situation<sup>188</sup>. They go on to suggest that "it is the pattern of relationships between institutions and resources - family, kinship, state, land, capital, community - as well as the pattern of relationships of all those institutions with God himself - which God wants us to replicate in societies today"<sup>189</sup>; and for them the key institutions are the extended family, restricted state and local community governed by elders. The basic idea of this is initially attractive, but the choice of key institutions and the decision about where to stop on the ladder both seem fairly arbitrary decisions with regard to which are the key Biblical injunctions and which are the social changes we should simply accept without attempting to "turn the clock back". Perhaps some such arbitrary decision-making is inevitable, but I'm not convinced that the idea of the "ladder of abstraction" is really helpful, since it seems to gloss over choices as to which elements of the Biblical picture are to be retained in concrete form and which we may abstract from.

What is more helpful in their approach is their understanding of "relationism" as a third way, between creation ethics and kingdom ethics, an alternative to Marxism and capitalism. The description of this in terms of maintaining a balance of power among the key institutions seems at times to rest on an assumption of a stability in their inter-relationship through Biblical times which is not true to the facts, the sense that Biblical ethics are fundamentally relational ethics (or, in the language of feminist ethics, ethics of connectedness) is important. The focus of Biblical concern is on the quality (rather than the form) of relationships, described in terms of love and justice. Thus, poverty is seen in the Bible as a loss of ability to participate in the community<sup>190</sup>, and the focus of Biblical

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<sup>187</sup> Meeks, 1989, *passim*

<sup>188</sup> See eg Schluter & Clements, 1990, p48 and *passim*

<sup>189</sup> See eg Schluter & Clements, 1990, p49

<sup>190</sup> Mott, 1987, p30, citing Leviticus 25.35-36

concern about debt (as we have seen) is on just relationships within the community which are threatened by debt, and saved by forgiveness.

Crosby suggests that this "underlying, relational meaning of justice" might provide the "fusion of horizons" between first and twentieth centuries<sup>191</sup>. It is by seeing the Biblical teaching on debt in the context of (relational) justice that we may begin to see fruitful ways of applying it today, and the "fusion of horizons" derived from Gadamer and others seems to offer a hermeneutic method which allows for proper "distantiation" (ie the kind of contextual reading of the text attempted here, a "differentiation of concepts and strands of thinking within concepts"<sup>192</sup>) as a necessary preliminary before "the ancient conceptions (can be) translated into the language and structural knowledge of another period"<sup>193</sup>. That process must neither be short-circuited (by applying Biblical norms across a massive cultural divide) nor evaded (by assuming that the divide renders them irrelevant or inapplicable). To understand the jubilee and its justice within their original context and structures, and then to share, through dialogue and action, in working out how these might operate today is the church's task, and that of the Christian ethicist.

Lebacqz suggests that the jubilee provides a useful "image" of what justice looks like in an unjust world<sup>194</sup>, pointing us, as noted above, towards a "restorative" understanding of justice. Again, this seems helpful, if taking us a step further than the Jubilee Centre from the Biblical base; when she says that "these traditions are intended as images that evoke responses not as laws that prescribe solutions"<sup>195</sup> she may be providing a creative way of responding to the Biblical picture rather than an accurate account of its original character. Perhaps too, the idea of restoration takes us too far in the direction of creation ethics and away from the ethics of the kingdom, and of renewal, although she also speaks of "renovation". The issue is whether debt release simply restores an original just pattern or opens up the possibility of something new. Either way, Lebacqz is right to warn of its incomplete and fragile nature - the element of risk which characterises forgiveness as the way to justice. Similarly, Oakman speaks of the "generosity (which) undercuts the prevailing order established on the assumption of a strict quid-pro-quo ... 'justice' preserves those assumptions"<sup>196</sup>. God's justice and forgiveness, at work together in

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<sup>191</sup> Crosby, 1988, p16

<sup>192</sup> McDonald, 1993, p160; see also p164

<sup>193</sup> Frey, in Reventlow & Hofman (eds), 1992, p100

<sup>194</sup> Lebacqz, 1987, p122

<sup>195</sup> Lebacqz, 1987, p127

<sup>196</sup> Oakman, 1986, p165



the jubilee, not only disrupt human standards of justice but human notions of economics<sup>197</sup>, as graphically illustrated by the parable of the labourers in the vineyard which embodies the challenge of jubilee justice<sup>198</sup>.

Ringe is more reticent about the value of the jubilee, which she sees as a once in a lifetime event which cannot therefore be translated into eternally appropriate structures<sup>199</sup>. Certainly we should be wary of anything claiming to be an eternally valid or just structure, but the jubilee was not simply a "once in a lifetime event". It was a recurrent form of intervention in the workings of the economy - "in the face of such social strife (between the mighty and the lowly), justice requires an intervening power"<sup>200</sup>, to protect the community and its values.

In this context, it is hard to sustain North's argument that the jubilee represents "the legislator's sound instinct to interfere as little as justice permits in the economic life of the individual"<sup>201</sup> (the thought underlying that comment is anachronistic for an embedded economy). If the jubilee is seen as at least including the announcement of God's reign and its impact on economic life, then it can hardly be argued that the impact of this on the life of individuals is to be minimised.

### Summary

As Mott says, the key question (which this chapter has attempted to answer) is "how did this provision function in its own culture and how can that function be approached in another culture"<sup>202</sup>. What, then, has emerged?

- debt was a recurrent and widespread problem throughout the Biblical period
- what we have termed the S/J cluster of legislation represents an attempt to intervene in the economy in order to break into the spirals of debt
- this theme is echoed and developed in the New Testament, notably in the story of Jesus at Nazareth and in the Lord's Prayer
- debt is a major Biblical theme, both in its material sense and as a metaphor illustrative of distorted relationships and of sin
- the Biblical response to debt is a paradigm of the Biblical response to injustice, and the jubilee is a paradigm of God's justice

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<sup>197</sup> Oakman, 1986, p166

<sup>198</sup> Lebacqz, 1983, p41

<sup>199</sup> Ringe, 1985, p98

<sup>200</sup> Mott, 1987, p27

<sup>201</sup> North, 1954, p217

<sup>202</sup> Mott, 1987, p30



- release from debt is a paradigm of the forgiveness of the powerless which characterises the gospel of Jesus.

Debt, then, is a key theme of the Bible, because it was a key fact of life in Biblical times, especially for the poor. How the community deals with debt is seen as vital to its character and life, and to its recognition of, and response to, the sovereignty of God. Grounded in that recognition and rooted in the embedded economy of its time, the S/J cluster is the keystone of the variety of structures in the OT designed to secure justice through the forgiveness of debts, which is important in itself, but not to be seen in isolation from other socio-economic questions. The S/J cluster and the ban on usury inform a Christian perspective on justice, at one level denying the legitimacy of exploiting or profiting from another's misfortune, and at another breaking out beyond a Hayekian, procedural form of "justice". The content of this Biblical understanding of justice focuses on relationships, not in a narrow spiritual or emotional sense but including, crucially, economic relationships; its purpose is not merely to interpret or to comment from a moral or theological perspective, but to change or renew.

Jesus confirmed this liberation as characteristic of the kingdom, by his teaching, by his healing ministry and through his redemptive mission - by his evocation and practice of jubilarly justice. In this not only are we provided with a powerful image of God's justice at work in an unjust world, tackling basic human problems, but in forgiveness of the paradigmatic injustice of debts, the dynamic of that justice is opened up for us. Forgiveness, then, has an economic meaning; theologically and economically that forgiveness is oriented towards justice. Just as that is worked out Biblically in the context of the impact of debt on the communities of the Bible (especially from the peasant, debtor perspective), so any modern interpretation is not merely a problem of the exegesis here attempted but must also work from the understanding of debt today detailed in earlier chapters.

The common vocabulary is of justice and forgiveness, so the next step is to look more deeply at the concept of (social) justice, starting from what we have learned from our examination of debt about the active, creative Biblical understanding of justice from below, and about justice as God's demand.

#### 4. The Context for Reflection - Social Justice

The previous chapter found a great deal of Biblical material in relation to debt, which reflected debt as a widespread social problem throughout the Biblical period. Crucially, it emerged that the Biblical treatment of debt set the issue in the context of justice; that in turn sets the agenda for this chapter, which will explore Biblical and theological thinking on justice, taking liberation theology (and, within that, the work of Miranda in particular) as providing a helpful base. This chapter will thereby seek to establish an understanding of social justice which can inform and convey a Christian contribution to political and economic discussion, particularly of debt.

"In the twentieth century, Christian ethics has become concentrated on the question of social justice", writes Michael Keeling<sup>1</sup>, reflecting the major part which the topic has come to play not only in academic discussion but in numerous church pronouncements on social issues. While some would complain that this has been a diversion from matters of individual morality (seen as more properly and traditionally the church's concern), there are many far from the radicalism of liberation theology who would affirm that "the way of the gospel and the way of justice cannot be separated"<sup>2</sup>.

There are both Biblical roots and a long pedigree of Christian tradition of an ethical response to social and political questions in terms of social justice. Medieval discussions of "just price" and "just wage" may sound dated; indeed they are derided from both left and right. Hayek and those who base justice on freely agreed contracts would see the terms as meaningless<sup>3</sup>, while liberation theologians would dismiss them as Canute-like reformism which fails to reflect the Biblical view, attempting to define "unjust profit" when the Bible has no place for "just" profit<sup>4</sup>. Yet they represent one age of Christian response to economic injustice, as also does the long tradition of critique of usury which we noted in the previous chapter as being, at its best, rooted in considerations of justice rather than the nature of money. Dussel draws on this tradition when he ironically describes interest as "the sin of

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<sup>1</sup> Keeling, 1990, p1

<sup>2</sup> Zorilla, 1988, p79

<sup>3</sup> See eg Sterba, 1980, p139

<sup>4</sup> Miranda, 1982, p50; see also eg Dussel, 1988, p94

usury transfigured to the virtue of saving ... the bourgeois virtue of economy (saving, hoarding) condemned by the Fathers, the church, and justice itself".

Two reservations about the recent ecumenical enthusiasm for ringing statements on social justice are particularly relevant to the current discussion. First, the way in which the Bible is used may come too close for comfort to a selective fundamentalism which jumps from the Biblical to the contemporary without sufficient allowance for the dramatically different economic framework (see the discussion of debt above). Thus Frey complains of an "ecumenical pathos of justice" which tries to transpose motifs and laws from kinship/clan-based societies to present day market society<sup>5</sup>; it is therefore easy for political critics to deride the "unreality" of such statements as failing to deal with the practicalities of today's economy.

Secondly, church statements may tend to assume a greater consonance between reason and revelation, or between "general norms drawn from the Biblical vision" and "societal notions of justice and equality"<sup>7</sup>. These may be a major part of the reason why such statements seem to be less in vogue in the 1990s than in the previous two decades. This second point may also be indicative of a wider problem in the discussion of social justice, namely the lack of a clear consensus about the meaning of the term, which appears to depend a great deal on "where one is coming from" both in terms of social status and ideology. MacIntyre has explored in depth the problems of "rival justices, competing rationalities"<sup>8</sup> as a characteristic of western pluralist societies in which most people "tend to live betwixt and between, accepting usually unquestioningly the assumptions of the dominant liberal individualist forms of public life but drawing in different areas of their lives upon a variety of tradition-generated resources of thought and action, transmitted from a variety of familial, religious, educational and other social and cultural sources"<sup>9</sup>.

This view is widely accepted, among commentators from left and right, and it is important to note that what is being highlighted by MacIntyre and others is not simply the existence of different political instincts in terms of what justice is but an underlying ideological or philosophical diversity; conflicting claims, all couched in the language of justice, are possible because of this diversity, giving rise to considerable doubt as to the usefulness of the concept. Newbigin goes further,

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<sup>5</sup> Dussel, 1988, p133

<sup>6</sup> Frey, in Reventlow & Hofman (eds), 1992, p99

<sup>7</sup> Lebacqz, in Brown & Brown (eds), 1989, p63

<sup>8</sup> MacIntyre, 1988, chapter title

<sup>9</sup> MacIntyre, 1988, p397

saying that the liberal-democratic, free market world view reveals its bankruptcy precisely here, as it "makes it impossible to give any clear meaning to the word 'justice'"<sup>10</sup>, since any such clear meaning would depend on a teleological commitment which has been effectively privatised.

While there is some consensus about the problem, responses vary. Ignatieff bemoans the absence of a "shared language of the good" and seeks a new "language for our need for belonging"<sup>11</sup>; Rawls has attempted to reconstruct a concept of justice based on a lowest common denominator of consensus, as free as possible of ideology though still with its own distinctive rationality; so, similarly, the recent Commission on Social Justice, tracing the lack of consensus about justice partly to the successes of the "welfare state", has tried "to articulate some widely held feelings about the character of our society and to describe them in a way that makes sense"<sup>12</sup>; Hayek has attacked the "mirage of social justice" as a thin disguise for sectional interests which destructively attempts to impose a teleological view on "society" when there is no such thing as an agreed teleology. All are responding in their different ways to the same situation analysed by MacIntyre, yet none of these seems finally satisfactory in reconstructing a view of justice which adequately reflects the Biblical understanding<sup>13</sup>.

The approach adopted here has been to follow MacIntyre's basic argument, and indeed to continue with him when he says (towards the end of his argument) that a point has been reached "at which it is no longer possible to speak except out of one particular tradition in a way which will involve conflict with other traditions"<sup>14</sup>. Without assuming a necessary common ground of reason and Christian revelation, the discussion has been approached from within Christian tradition, in particular seeing the Bible as of crucial and authoritative value towards building an understanding of the meaning of justice; as Gutiérrez, in a much-quoted phrase, says, "justice and right cannot be emptied of the content bestowed on them by the Bible"<sup>15</sup>. That approach, however, has not meant constructing a (theological) definition of justice and then attempting to apply the principles arrived at; rather the Christian theological and ethical reflection on justice is the context in which a

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<sup>10</sup> Newbigin, 1992, p309 & 310

<sup>11</sup> Ignatieff, 1984, p14 & p139

<sup>12</sup> Commission on Social Justice, 1993a, p16

<sup>13</sup> See further below

<sup>14</sup> MacIntyre, 1988, p401

<sup>15</sup> Gutiérrez, 1983, p211

response is sought to the issues raised in the specific situation of debt as discussed in the first two chapters.

### Liberation Theology And Justice

This approach would seem to fit readily with the "praxis" methodology of liberation theology where the question of social justice plays a more prominent part than in many other theological stances. They "reject any consideration of justice that is abstract and ahistorical. The idealistic procedure of first attempting to clarify what justice and then seeing how it can be applied to present circumstances is rejected"<sup>16</sup>, in favour of starting from the realities of the context, employing the tools of the social sciences "to analyse what is happening and to locate the present injustices"<sup>17</sup> and with "the theory of dependence and the concept of structural violence (providing) the descriptive and evaluative dimensions ... of their social reality"<sup>18</sup>. (See discussion below on the implications of this in terms of starting from injustice, and whether it does not simply beg the questions.)

Underlying liberation theology's argument here lies a critique of the Western/Hellenised approach to truth, theology and Biblical interpretation. Miranda, for example, cites Aristotle's "classic thesis" that "truth is incompatible with the condition of the slave"<sup>19</sup>. Although usually less blatantly so, Western theology consistently reflects the perspective of the privileged, under a guise of objectivity, in contrast with what liberation theologians would claim as their own more Biblically-based approach. The texts indeed "read differently when received through the prism of poverty and powerlessness"<sup>20</sup>; heard thus, they compel theology into the service of the God who acts to liberate, and therefore into praxis rather than abstraction. (There may be an irony here. If, Biblically, truth has to do with knowing God, and knowing God is bound up with justice, truth may very well be incompatible with slavery, or at least with an acceptance of slavery - turning Aristotle almost full-circle. Here, as elsewhere in Miranda's work, there may be an echo of Pannenberg's thesis that truth is only knowable in the kingdom.)

What, then, does this approach mean for the discussion of (Biblical) justice? Following Lebacqz, we may identify three central claims of liberation theology - (1)

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<sup>16</sup> Garcia, 1987, p20

<sup>17</sup> Lebacqz, 1987, p150

<sup>18</sup> Garcia, 1987, p76

<sup>19</sup> Miranda, 1964, p262

<sup>20</sup> Brueggemann, Book Review of Miranda, 1974, in *Interpretation* 29 (1975), p434



that the Biblical God is a God of justice (2) that to know God is to do justice and (3) that justice and love cannot be separated.

For Miranda, any understanding of justice has to start with God, and his demand on us; as Garcia puts it - "it is ultimately a Biblical understanding of God as the God of justice and life that makes us commit ourselves to the struggle for liberation"<sup>21</sup>. Of itself, this is well within the mainstream of western theology. Writing in 1951, Quell and Schrenk saw God as the "author" of justice - "all mutual relationships in Israel were viewed in the light of the idea of justice ... The Old Testament doctrine of God is based on the idea of justice"<sup>22</sup>. Von Rad sees the Old Testament understanding of justice as the reflection of God in person addressing people<sup>23</sup>, and in Harper's Bible Dictionary Mott says that "justice is founded in the being of God, for whom it is a chief attribute"<sup>24</sup>.

However, Miranda's argument goes further than simply seeing the practice of justice as a sign or an effect of knowing God. In fact, he expressly rejects such terminology<sup>25</sup>; to know God is to practise justice (and this is not a tradition of the Bible but "the Biblical tradition itself, the irreducible novelty of the message of the Bible"<sup>26</sup>). This would seem to take him further than Garcia who sees the struggle for social justice as part of salvation history<sup>27</sup>; the logic of Miranda's argument is that the struggle for social justice is salvation history. Such an "earthing" of salvation is clearly foreign to the more spiritual understanding of much Western theology. Novak, for example, says that the "greatest single temptation for Christians is to imagine that the salvation won by Christ has altered the human condition"<sup>28</sup>. From liberation theology would come the counter that a "salvation" which does not alter the "human condition" means nothing real: the salvation history of the OT obviously deals in political realities and to remove the salvation that is in Christ to a "spiritual" plane breaks the continuity between the testaments that is basic to much of liberation theology.

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<sup>21</sup> Garcia, 1987, p188

<sup>22</sup> Quell & Schrenk, 1951, p1

<sup>23</sup> *Old Testament Theology*, vol1, SCM Press, London, 1975, p95

<sup>24</sup> Mott, 1985, p519

<sup>25</sup> Miranda, 1974, p44/5

<sup>26</sup> Miranda, 1974, p53

<sup>27</sup> Garcia, 1987, p90, also citing Gutiérrez, 1974, p168

<sup>28</sup> Novak, 1982, p343



Liberation theologians would therefore reject the theological separation of justice from justification<sup>29</sup>. Thus Miranda denies any distinction between real and imputed justice<sup>30</sup>, basing this on affirming the continuity of the understanding of justice from the Old Testament into Pauline theology - "Paul's revolutionary and absolutely central message, that justice has been achieved without the law, would lack all force if this were not precisely the same justice that the law hoped to realise"<sup>31</sup>. Redemption and justification, then, do not take place in a vacuum or in the interiority of the soul but represent "precisely God's effort to restore the whole network of relationships that have been broken by sin"<sup>32</sup>. And Wall, discussing the Biblical justice which, he says, is "not managed or manipulated by human notions of fair play but derived from the radical mercy of a liberating God", speaks of "social justification (a process) or human liberation (its result)" and of the transforming grace that is a constituent of the social gospel<sup>33</sup>.

This, then, clearly implies a rethink of much accepted Biblical interpretation. It is not simply that we are called to make room in our theology for the demand for justice that goes beyond its more obvious occurrences in the OT prophets to what Bauckham describes as some of the more surprising occurrences of justice references<sup>34</sup> (often concealed in English translations at least by the use of alternative words such as righteousness<sup>35</sup>), but that the demand/struggle for justice is what it is all about.

The God who demands justice defines his own terms, and redefines ours, otherwise justice no longer has any transcendent demand beyond self/group interest. The tendency of Western theology to dilute, idealise, or simply evade the radical demands of the Biblical God is for Miranda clear breach of the second commandment. A domesticated God who is no longer experienced as demanding/commanding (justice) is an idol.

What emerges from Miranda, then, is a theology of revelation, in which the more we attempt to describe the content of justice the closer we come to objectifying God (which is, ultimately, to evade his demands). To identify justice,

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<sup>29</sup> See eg Tamez, in Jones (ed), 1988, p33ff, see also ch6 below

<sup>30</sup> Miranda, 1974, p174

<sup>31</sup> Miranda, 1974, p152

<sup>32</sup> Birch, 1991, p96

<sup>33</sup> R W Wall, in Samuel & Sugden (eds), 1987, p113, 118, 121

<sup>34</sup> Bauckham, 1989, chs 3 & 8

<sup>35</sup> See below

and therefore God, with any particular programme is clearly idolatrous (as several opponents of liberation theology have, ironically, rushed to point out); indeed, as Garcia stresses, "our justice is not God's justice"<sup>36</sup>, but the demands of God are nonetheless concrete. Indeed, Miranda often seems to equate God's demand for justice with his transcendence, which, he says, "does not mean only an unimaginable and inconceivable God but a God who is accessible only in the act of justice"<sup>37</sup>. As Lebacqz points out, this seems to leave him without any proper "recognition of the limited nature of every earthly achievement of justice"<sup>38</sup>.

Dussel also wrestles with this problem of attempting to hold together the transcendence of God's demand with the concreteness of that demand for justice - "liberate the poor", he says, "is absolute (not relative) and nevertheless concrete"<sup>39</sup>. This leads him to a distinction between the "moral" (which is relative to a particular context, ie to do with being good in Egypt) and the "ethical" (which transcends the present context and has to do with liberation from Egypt). The ethical addresses people through conscience, which he describes as "a listening, a hearing the voice calling to me from outside, from beyond the horizon of the system: the voice of the poor calling for justice"<sup>40</sup>. Miranda's similar solution - "the God who does not allow himself to be objectified, because only in the immediate demand of conscience is he God, clearly specifies that he is knowable in the cry of the poor and the weak who seek justice"<sup>41</sup> (my emphasis) - also begs the question of the relationship of the authority of conscience to that of the Bible. For all their realism about ideology, and their hermeneutic of suspicion, Dussel and Miranda seem to invest too much in the reliability of (individual) conscience here. Dussel also seeks a more concrete reference point in the "utopian justice prevailing by anticipation in the base Christian community"<sup>42</sup>, but the realities of such communities today (as of the communities of the early church described in Acts) are too ambivalent, or, to put it theologically, subject to sin, to bear the weight he puts on them.

Neither, then, seems to offer a way out of this paradox, though one may lie in the distinction between recognising God in the particular demands of justice in a given situation while refusing finally to identify God with these demands. A

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<sup>36</sup> Garcia, 1987, p99

<sup>37</sup> Miranda, 1974, p48

<sup>38</sup> Lebacqz, 1987, p159

<sup>39</sup> Dussel, 1988, p76

<sup>40</sup> Dussel, 1988, p38

<sup>41</sup> Miranda, 1974, p48

<sup>42</sup> Dussel, 1988, p104

narrative approach might have made space for at least provisional sketching of a content for justice, by concrete examples or stories rather than systematically, but Miranda offers little help in working out what the demand for justice means in practical terms and situations (unless these truths are held to be self-evident).

### Beyond Static Justice ?

A static concept of justice, then, defies the second commandment, as expounded by Miranda; again, "our justice is not God's justice"<sup>43</sup>, and therefore we seem to be left with dissenting views and competing understandings of what God is saying to us in the demand for justice. Lebacqz offers a way forward from what seems to be a dead end here, in starting from the "lived reality" of the experience of injustice<sup>44</sup>, which Heyne claims is the Aristotelian method<sup>45</sup>. This seems attractive, not least because it roots discussion in something both practical and vivid, rather than the blurred edges of ideas of justice<sup>46</sup>. However, as we shall see in studying Hayek, that in itself can be felt to beg many of the questions: is all inequality injustice, or, as the Commission for Social Justice argue, only some (unspecified)<sup>47</sup>? - does talk of injustice imply a (personal) cause?.

Historical consciousness (from the perspective of the poor) and Biblical remembrance intertwine, says Lebacqz, to inform our response to the realities of injustice, ie to open us to God in his demand for justice. This would seem to be a more fully praxis-based approach than Miranda's, rooted as it is in the interplay between the experience of injustice (which is seen as primary) and the Biblical story of God's partnership with those who hunger and thirst for justice: the best of justice talk indeed coming out of justice walk<sup>48</sup>. This approach would, however, seem to be problematic where there is dispute as to what is unjust (as we have seen in the area of debt, even among the debtor "victims"). It is also backward-looking, when the Biblical picture of justice seems much more coloured by hope.

In so far as their analysis allows for definition when the stress is on the transcendent, concrete demands of justice, the terms in which liberation theologians see the demand for justice as being defined are different from those of classical analysis of justice. Like other liberation theologians, Miranda does not argue for

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<sup>43</sup> Garcia, 1987, p99

<sup>44</sup> Lebacqz, 1987, p10

<sup>45</sup> P Heyne, in Block (and others) (eds), 1982, p464

<sup>46</sup> Sturm, 1988, p96

<sup>47</sup> Commission on Social Justice, 1993a, p16

<sup>48</sup> Lebacqz, 1987, p65

justice defined in terms of natural law or natural rights (even where these are held derived from Biblical revelation). Such approaches tend to be conservative of the status quo (as Marx penetratingly points out), able to offer criticism of abuses in the system but not of the system itself; thus, natural law theory "sacralises a static and stratified society"<sup>49</sup> and capitalism is taken as "the way things are" (and therefore, ahistorically, justified as the created order). Liberation theologians would claim to be more Biblical, and closer to Marx, in rejecting any fixed concept of human nature and in seeking a more radical break with the system than the reformism which simply aims to make it run better, more "efficiently".

Similarly, liberation theologians cannot accept the amorality of a positivist concept of justice under the law - again no critique of the existing system seems possible, and the status quo is "justified" in a "twisted righteousness" which is the "official legality of exploitation, the 'free' contractual agreement the weak and impotent enter into because they have no other remedy"<sup>50</sup>. Miranda draws here on Paul, who, he argues, "denies that man's invention, called law, is capable of achieving justice in the world"<sup>51</sup>. (Both positivism and particularly Hayek's related attack on the "mirage" of social justice need to be taken more seriously than they are here (where they may be caricatured), not least because they represent so much of the prevailing "wisdom" of the West; this will be the substance of the next chapter.)

Traditional Roman Catholic official teaching has divided "justice" into dimensions, of commutative, distributive and social (in which participation is a crucial element), without fully freeing itself from the problems of natural law theories or adequately dealing with the problems of conflict between the different dimensions. A major part of contemporary debate lies in the conflict between the commutative, contractual, procedural, view of justice adopted by Hayek and those who stress issues of distribution, participation and power.

Some Christians have found encouragement in Rawls's work, whose attraction lies in its grounding of a concern for the poor in a consensus and a hypothetical social contract rather than ideology. However justice as "fairness" or "equivalence" fails, as we shall see below, adequately to reflect the dynamic of Biblical justice. The "principles of social justice" outlined by the Commission on Social Justice (equal worth of all citizens, ability to meet basic needs, spread of

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<sup>49</sup> Bonino, 1975, p115

<sup>50</sup> Miranda, 1982, p34

<sup>51</sup> Miranda, 1974, p184/5

opportunities and reduction of unjust inequalities)<sup>52</sup> might seem to hold possibilities, but their approach of attempting to articulate general beliefs produces analysis which is neither sharp enough in its critique nor free enough of complicity with the prevailing (British market) ideology.

### Miranda's View of Biblical Justice

Miranda (as Brueggemann points out) "bears sound academic credentials of Western education"<sup>53</sup>, and his exposition of justice reflects that (if only to establish credibility within the Western academic tradition). He proceeds by expository word-study and by following the motif of justice through the Bible, and this gives the reader a sense of a selective fundamentalism which fails to take seriously the Bible as a historically-conditioned and -rooted document. Indeed, Miranda himself, claiming to speak for liberation theologians in general, says that "we are shameless conservatives ... looking for the literal gospel ... (who) take the message of Jesus literally and without gloss"<sup>54</sup> - a reaction, no doubt, to the ability of Biblical criticism to evade the demands of justice in the Bible by carrying assumptions into interpretation. Some more recent liberation theology (eg Gutiérrez' later work) is more willing to use tools of Biblical criticism (especially analysis of the socio-economic bases of Biblical narratives), but that produces problems of its own. If, as Lebacqz argues, the Bible is suspect because of "the biases built into it by the human communities that formed it"<sup>55</sup>, it is hard to see how it can still carry the demand of God for justice without there being too many available escape-routes; perhaps this is what pushes Miranda and others towards fundamentalism. To some extent this represents the recurrent problem of Biblical authority, but raised here in a specific way which raises the question of the compatibility of a praxis-based method with one which stresses transcendent authority as much as Miranda does.

Miranda's account relies heavily on his interpretation of the Biblical synonymic parallelism of "*sedekah*" and "*mispat*"<sup>56</sup>, using one word to illuminate another with which he seeks to establish it as synonym: "Even the most supernaturalistic exegetes recognise that *sedekah umispat* ('justice and right') is the most clearly technical term that the Old Testament uses to signify justice for the

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<sup>52</sup> Commission on Social Justice, 1993a, p16

<sup>53</sup> Brueggemann, Book Review of Miranda, 1974, in *Interpretation* 29 (1975), p432

<sup>54</sup> Miranda, 1982, p4

<sup>55</sup> Lebacqz, 1987, p59

<sup>56</sup> I have retained this transliteration in preference to a variety of others in the quotations which follow, simply for clarity



poor and oppressed, social justice ... This is clearly a hendiadys, ie an expression in which the two words are meant to signify one thing"<sup>57</sup>. The basic case for this "technical term" is well made by Miranda's detailed expository studies. Sometimes he convincingly convicts conventional exegesis of "watering down" the demand for justice, yet there are other occasions when, by investing words with an undue weight of theological meaning as if the "theological concept structure is directly related to the words"<sup>58</sup>, he creates a tautology which neglects nuances of meaning. The effect, therefore, sometimes seems simply reductionist in blurring the shades of meaning, and depends too much on which term is chosen - arbitrarily - as the 'master' from which all others are to be illumined.

If there is indeed a great richness and depth of meaning in these two words which is not fully conveyed by the narrower Western philosophical or forensic concept of justice, they may repay further study than Miranda's, which is oriented towards re-establishing the divine demand for justice rather than drawing out the nuances of its meaning. In similar vein, Mott suggests the rule of thumb that whenever one reads "righteousness" or "judgment" in the context of social responsibility (translating *sedekah*, *mispat* etc), "justice" would be a better translation, but he gives much more of a sense of the depth of meaning of justice in the Bible. *Sedekah*, he says, has the sense "of a gift, of abundance, of generosity", while *mispat* communicates "relief, release, and deliverance"<sup>59</sup>. Both, then, are positive in spirit: even when justice has a punitive dimension, it is never purely punitive but always aims towards "creating and preserving community"<sup>60</sup>. Both words have an element of forensic reference but are part of the language of salvation. Thus, Snaith sees *sedekah* as primarily religious rather than ethical, but this does not relegate it to the private realm; rather it roots and empowers the concept, in God, and deepens its meaning of bringing justice in the land<sup>61</sup>. *Mispat*, too, may have a basically forensic meaning but that does not confine it to a Western understanding of the verdict of a court<sup>62</sup>.

The Biblical understanding of justice requires both elements of the hendiadys; to split the terms leaves one struggling with the problems of priority

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<sup>57</sup> Miranda, 1974, p93

<sup>58</sup> Barr, 1961, p234, where he describes this tendency of many theologians and especially of Kittel's dictionary

<sup>59</sup> Mott, 1982, p63

<sup>60</sup> Mott, 1982, p63

<sup>61</sup> Snaith, 1964, p69

<sup>62</sup> Birch, 1991, p156



between justice as retribution and equivalence and justice as salvation and grace<sup>63</sup>. Together in hendiadys the terms represent justice for the poor, and, moving into the New Testament, *dikaioyne* does not represent a different understanding. As Miranda argues, if it did refer to something different, Paul's discussion of righteousness/justice in Romans would be meaningless. It signifies God's creative work, and "clearly has the dimension of new creation", oriented toward justice and judgment<sup>64</sup>.

While there are limits to the value of such exegetical word studies, particularly when we start to allow for changes in meaning of both words and ideas even within the Biblical period, it is clear that our division of concerns and meaning between the socio-economic, forensic, and soteriological aspects of justice is foreign to the Biblical world (as noted previously in the discussion of the embedded economy). The tendency within market societies to "treat ever more dimensions of life as private, that is, unaccountable"<sup>65</sup>, and to respect the "autonomy" of the market, runs quite contrary to this whole way of thinking, implying as it does that there are areas beyond the jurisdiction of divine justice. The autonomy of economics may be seen as a valuable achievement of modernity only in so far as it is understood as relative to the priority of God's will, and does not become a tyranny imposing its own model of consumer relationships on other areas<sup>66</sup>.

Underlying the Biblical breadth of meaning of justice may be seen the difference between the Hebrew *sophet* and the Western judge. "In the Hebrew verb *sophet* the translators of the LXX saw not exactly the neutral function connotated by our 'to judge' but rather to do justice to someone who in one way or another has been oppressed"<sup>67</sup>. As in the Book of Judges, the *sophet* (noun) refers primarily to a deliverer. The *mispat* which is the result of his actions is therefore far more than a verdict in a Western court: "here is no Justice blindfoldly holding the scales in just equality. She watches for the rich, and, Brennus-like, throws in her sword against them"<sup>68</sup>. Santa Anna, also, contrasts the blind, balancing goddess of the classical imagery of justice with what he describes as the Hebrew understanding of "justice from below"<sup>69</sup>. The key is the righting of wrongs, the function which links the

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<sup>63</sup> G Weinfeld, in Reventlow & Hofman (eds), 1992, p245

<sup>64</sup> Stuhlmacher, 1986, p81 & 82

<sup>65</sup> Meeks, 1989, p182

<sup>66</sup> WCC, 1992a, p9 & 35

<sup>67</sup> Miranda, 1974, p111

<sup>68</sup> Snaith, 1964, p71/2

<sup>69</sup> In Jones (ed), 1988, p7

"avenging chiefs"<sup>70</sup> of the Book of Judges through later kings to judges closer to our own, and it is against this background that the visions of God as the Judge and as the one who saves may be reconciled. Justice (or righteousness) is not a static quality or attribute of God but characterises his interventions - "it is dynamic, as active as his wrath"<sup>71</sup>.

This has important implications for the Biblical understanding of justice. What emerges is a Biblical understanding of justice in which "while due process is not omitted ... the dominant concerns are substantive, material and benefit-oriented"<sup>72</sup>. This has three crucial characteristics which distinguish it from most Western philosophical understanding: it is relational and creative and is not impartial.

### Relational Justice (Justice and Love)

Getting to grips with much of this Biblical material requires putting aside our individualist assumptions in favour of a view of people in society, ie in relationship with one another. Even Pauline theology, long interpreted on individualist lines, "actually does not think of the individual as existing by himself"<sup>73</sup>. That is not to say that, in the Bible, persons disappear into "society" (which would be the precise converse of Mrs Thatcher's famous dictum that "there is no such thing as society"); rather, for the Bible at least, the concept of the individual abstracted from social relationship is just that - an abstraction, displacing the reality of persons in relation. It follows, then, that, as Newbigin puts it, "The Biblical understanding of justice is relational. Justice is a function of interpersonal relationships"<sup>74</sup>. Jantzen also, regretting the extent to which justice has been subsumed within a dominant, masculine, framework of competitiveness, seeks to recover an understanding of justice in a framework of "connectedness"<sup>75</sup>, which seems in line with the Biblical view.

So many of our assumptions are individualist, and so much do we take it for granted that we are individuals first and members of society second, that it is difficult to be consistent about this relational understanding. Even Schluter and Lee, who have suggested this as the crucial insight on which social theory can be rebuilt

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<sup>70</sup> Miranda, 1974, p112

<sup>71</sup> Quell & Schrenk, 1951, p43

<sup>72</sup> Mott, 1985, p520

<sup>73</sup> Quell & Schrenk, 1951, p47

<sup>74</sup> Newbigin, 1992, p310

<sup>75</sup> Jantzen, 1992, p11

(in "The R Factor"), say that "a just society is one whose individuals (and by extension whose institutions) have relationships that are 'good'"<sup>76</sup>, which seems to leave the individuals still as the primary unit.

The Bible goes further by focusing on relationships - justice is "relational more than it is rational"<sup>77</sup>. Within a general understanding of Christian ethics as dealing with the quality of human relationships the scenario is of injustice corrupting all relationships in society, the basic root alienation infecting all relationships (original sin); "theologically speaking, an unjust social order distorts our relationships with others and with nature"<sup>78</sup>. The recurrent Biblical phrase "I am the Lord your God", as Miranda notes, roots the ethical demands of the law in remembrance of God's dealings/relationship with his people (his saving justice). Justice on such a model ceases to be a norm or law but becomes a matter of "the establishment and maintenance of right relationships"<sup>79</sup>.

An economy, for example is seen (despite attempts at the de-moralising of economic exchange) as consisting of people in relationship: "Christian economic ethics constantly (and rightly) assumed that economic transactions were relations between people"<sup>80</sup>. It is in this context that the importance to liberation theology of "dependence theory" can be seen as well founded: relationships of domination are unjust in the same way as even a kind-hearted slave-owner is unjust.

This focus on economic relationships is important, lest the stress on "the R factor" be seen as making what we tend to call "personal" relationships primary for Christian ethics. Such a tendency underlies liberation theologians denial of the distinction accepted in Western theology between love and justice ("one of the most disastrous errors in the history of Christianity ... under the influence of Greek definitions"<sup>81</sup>). Our attempt to distinguish these two may well tend to sentimentalise and blunt the cutting edge of the gospel and the move from the demands of justice to "works of mercy", almsgiving and the connotations of "charity" may be seen as an evasion, but the distinction is widely made. Niebuhr, describing love as the "impossible possibility", felt that economic and political affairs had to be governed by the "nicely calculated less and more" of justice<sup>82</sup>, and Quick claims the "antithesis

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<sup>76</sup> Schluter & Lee, 1993, p259/60

<sup>77</sup> Lebacqz, 1987, p78

<sup>78</sup> Garcia, 1987, p81

<sup>79</sup> Bonino, 1983, p85

<sup>80</sup> Forrester & Skene, 1988, p95

<sup>81</sup> Miranda, 1974, p61

<sup>82</sup> Niebuhr, 1937, p103 & Niebuhr, 1932, p68 & 81, discussed in Lebacqz, 1986a, p85

between justice and love, law and gospel, has always given to Christian ethics their distinctive character" (reflecting, he argues, the difference between the two testaments, another differentiation which liberation theologians would challenge)<sup>83</sup>.

It would seem futile to deny that this purported distinction between love and justice has been abused to gloss over the realities of conflict and to fuel glib talk of reconciliation that minimises pain and excuses oppressors. (It is part of the challenge of this work to speak meaningfully of forgiveness without falling into this trap of cheap grace.) The need to keep two concepts in synonymic parallel does not justify the reduction of the meaning of one to that of the other without mutual enrichment, but the need to hold together the love and justice of God is crucial to any Christian perspective on social justice.

Liberation theologians are not alone in this insistence on keeping the two together. Tillich argues that "justice is just because of the love that is implicit in it"<sup>84</sup>; without this, justice is deprived of its creative dimension - love becomes sentimental and justice degenerates into legalism. Similarly, Mott, arguing against a contrast between love and justice (though maintaining a close relation rather than identity of the two), says that differentiation makes justice a "static and conservative term"<sup>85</sup>. It also tends to downgrade justice as inferior, the best we may hope for in this world but destined to disappear when the kingdom comes and love rules. Rather, I would share liberation theologians' endorsement of Ricoeur when he says that "we show little or no understanding of love when we make charity the counterpart and supplement of, or the substitute for, justice; love is co-extensive with justice ... justice is the efficacious, institutional and social realisation of love"<sup>86</sup>.

The substitution of one for the other may ride uneasily with accepted English usage (eg in the context of the good Samaritan story where "doing justice" to the injured man would seem an uncomfortable phrase), and the terms will still have their appropriate usages (justice, perhaps, most fittingly describing "love at a distance"<sup>87</sup>). Indeed, justice may therefore be the appropriate expression of love in a society of strangers, of "mediated"<sup>88</sup> or "contingent"<sup>89</sup> relationships; love, then,

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<sup>83</sup> Quick, 1940, p48

<sup>84</sup> Tillich, 1974, p15

<sup>85</sup> Mott, 1985, p519 and Mott, 1982, p62

<sup>86</sup> P Ricoeur : "El Conflicto : Signo de Contradiccion y de Unidad ?", in *Criterio* 1668 (Buenos Aires, 24-5-73), p255, cited in Bonino, 1975, p114

<sup>87</sup> Forrester & Skene, 1988, p77

<sup>88</sup> Ignatieff, 1984, p10

<sup>89</sup> Schluter & Lee, 1993, p33

appropriately referring to situations of "relational proximity", ie "a closeness of relationship between two individuals through which each is able to recognise the other more fully as a complete and unique human being"<sup>90</sup>. But that cannot mean that, coming to a concrete example, the "contingent" relationship between debtor and creditor demands that the latter simply seek the "justice" of the repayment of the debt without regard to the personal circumstances of the debtor, of which only "love" could take account. In keeping the terms in close relation we are holding on to more of the richness of the Biblical material and retaining the Biblical sense of justice as more than due process, equivalence or even fairness. When Heller concludes that such constituents of "the good life" as "empathy, sympathy, magnanimity, forgiveness, the readiness to help, to console, to give advice - all of these are virtuous attitudes and acts beyond justice"<sup>91</sup>, she may be accurately describing the limitations of most philosophical theories of justice, but fails to account for the full force of the Biblical/Christian understanding, which holds love and justice together in the power or activity of God.

That understanding is a major Christian reservation about Rawlsian justice. "Christian theological notions of justice substantially qualify the adequacy of justice as fairness and suggest that it needs augmentation" because it is ultimately "corrosive of Christian understanding of the person and of community"<sup>92</sup>. However, it is not simply that justice as fairness needs to be augmented or seasoned with justice as generosity. *Sedekah*, Biblically, does carry a sense of (God's) benevolent generosity<sup>93</sup>; the God reflected in the parable of the labourers in the vineyard is indeed "far more interested in being graciously generous than in calculating each person's degree of righteousness"<sup>94</sup>. But this is more basic to the understanding of justice than being merely an augmentation of fairness, particularly one which might carry some of the paternalistic connotations of "charity". It is not to do with the content of justice (as distribution by merit or any other calculation, or otherwise) but about the dynamic nature of justice as rooted in the grace of God<sup>95</sup>, the creative nature of Biblical justice. This rootedness in grace (which Wall sees as characteristic of the jubilee<sup>96</sup>) removes Biblical justice from distribution according

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<sup>90</sup> Schluter & Lee, 1993, p276

<sup>91</sup> Heller, 1987, p324

<sup>92</sup> Forrester, 1994, p5

<sup>93</sup> Snaith, 1964, p70/1

<sup>94</sup> Stuhlmacher, 1986, p33

<sup>95</sup> Mott, 1982, p63

<sup>96</sup> Wall, in Samuel & Sugden (eds), 1987, p113



to merit, indeed from any Justinian sense of justice as giving each his due; it is not a refinement but is basic to the Biblical understanding.

### Creative or Dynamic Justice

As already noted above, Tillich sees the retention of this inter-relationship of love with justice as crucial to his understanding of what justice is. As well as the dimensions of distributive and retributive justice, he suggests a "third form" to be called "transforming or creative justice", based on the fact that "the intrinsic justice is dynamic"<sup>97</sup>. Mott, also, sees justice as "a deliverance ... (which) puts an end to the conditions that produce the injustice"<sup>98</sup>; Biblical justice is dynamic, "creative, in contrast to the preserving justice of the Aristotelian type"<sup>99</sup>.

There are dangers in this view. Quick, describing Leninist "justice" in similar terms as being "evangelical" (because it has the fundamental motivation of the deliverance of the poor) but as ceasing to be just as it becomes a tool of the communist gospel<sup>100</sup>. The truth in this lies in the gap which opens up between Leninist justice and Western justice, but that is not conclusive of the former ceasing to be just. Particularly if we move from Leninist to Biblical justice, a "tool" of the gospel or of the will of God, we may well recognise a gap between that and conventional Western ideas which does not make Biblical justice "unjust" but rather points to the need for renewal of Western thinking, for Christians at least.

Lebacqz goes further than Tillich when she sees this character of justice not as one model, even the "intrinsic" one, but as the Biblical picture of justice which is "not retributive in the sense of focusing on the punishment of the offender" nor "distributive in the sense of asking how some ideal social order would distribute goods". Rather, Biblical justice is "reparative, restorative, restitutive"<sup>101</sup>. Unlike classical theories, this has not to do with "giving each his due", but with correcting injustices<sup>102</sup>; it is not about re-arranging distributions or structures but about enabling new beginnings (as in the jubilee)<sup>103</sup>. Novak describes "the attempt to model an ethic of economic distribution primarily upon rectifying justice, that is the attempt to represent economic justice as primarily recompense for past injustices or

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<sup>97</sup> Tillich, 1974, p64

<sup>98</sup> Mott, 1985, p520

<sup>99</sup> Mott, 1982, p65

<sup>100</sup> Quick, 1940, p52

<sup>101</sup> Lebacqz, 1986b, p10

<sup>102</sup> Lebacqz, 1987, p150

<sup>103</sup> Lebacqz, 1987, p128



misfortunes" as being "pseudomessaianic"<sup>104</sup>. Thus he recognises the Biblical roots of the notion of "rectifying justice" while pointing to the dangers of political programmes which claim to embody this divine justice. The point is, I think, well made but only in so far as it undermines any claim to finality or infallibility of the advocates of policies of rectifying justice; it cannot be allowed to justify a Christian quietism which simply accepts the results of past injustices as given. As Lebacqz points out, it is in such institutions as the jubilee that the Bible recognises rectifying, creative justice at work. Viewed in a static snapshot, the cancellation of debts indeed seems "unjust", but set in a socio-historical context it embodies the dynamic of justice. Similarly, the parable of the labourers in the vineyard "thwarts our expectations about justice only because these are not formed with the Jubilee year in mind"<sup>105</sup>. There is, therefore, a clear difference between this approach and the ahistorical approaches of such as Rawls and Hayek which exclude questions of restitution for past wrongs by taking the present situation as given, and therefore beyond such judgments of justice or injustice<sup>106</sup>.

As Newbigin points out, there is underlying this a Biblical challenge to prevailing views of people and society, the "open secret" of the gospel that "the justice of God is manifested in his justifying of the ungodly - that is in his establishing of a relationship with himself which makes it possible for injustice to be overcome by God's justice, for sin to be recognised, acknowledged and forgiven, and new relationships established through which even the unjust (as we all are) may learn to live in peace"<sup>107</sup>. Consideration of this theology of justification will be postponed largely to chapter 6, but two areas of relevance to the present discussion of justice - reconciliation and the social content of justification - will be noted briefly here.

The discussion above of love and justice referred to the danger of cheap grace in Christian advocacy of a reconciliation in the name of love which leaves existing injustices untouched. Lebacqz's understanding of justice as restorative might also be said to lead readily towards reconciliation, but it is redress which she (like Mott) stresses here<sup>108</sup>. In her chapter on "justice and the oppressor", there is no word of forgiveness expressed; rather she (like the Kairos theologians) complains of

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<sup>104</sup> Novak, 1990, p46

<sup>105</sup> Lebacqz, 1983, p41

<sup>106</sup> Lebacqz, 1987, p53

<sup>107</sup> Newbigin, 1992, p310

<sup>108</sup> Lebacqz, 1987, p120

a cheapened solidarity and a "facile reconciliation" which is characteristic of oppressors urging the oppressed to "forgive and forget"<sup>109</sup>. Miranda, too, has little positive to say of forgiveness or reconciliation, speaking of Jesus upholding the "vindictive justice of the Old Testament"<sup>110</sup>. He finds it "criminal" to "defend repression by the procedure of quoting to the oppressed the verse about turning the other cheek"<sup>111</sup>. But Biblical forgiveness is not equivalent to moral laxity, nor to be seen as "tolerance, compromise or acceptance of evil, as a good-natured easy-going bonhomie"<sup>112</sup>; it is "a genuine act of judgment, maintaining God's justice ... a form of redemption which knows no compromise with evil"<sup>113</sup>. God's word addressed to the oppressor is, therefore, a word of rebuke and restitution, always a word which "requisitions justice"<sup>114</sup>. Thus, reconciliation looks to the effective removal of contradictions and injustices rather than explaining them away or ignoring them. This will be further developed below, along with the social content of redemption/justification.

What, then, of grace? Garcia writes that "the actualisation of justice and the opportunity to experience new ways of being a person have at their foundation the reality of the gift of grace"<sup>115</sup>. The God who is known (reveals himself) in the demand for justice gives the power to achieve justice and to "do justly" (which, we shall see, may be where forgiveness enters into the picture). The Biblical jubilee (to which Lebacqz is drawn in her analysis of justice) may be a significant linking concept - but again not one which Miranda stresses. However, if this is an image rather than a programme<sup>116</sup>, are we faced with a form of utopianism which defeats the basic (Marxist) premisses of some liberation theology and leaves us with Niebuhr's paradox that "the vision of a just society is an impossible one, which can be approximated only by those who do not regard it as impossible"<sup>117</sup>? Is any attempt to evaluate situations by the criteria of the kingdom indeed "a flight from the real problems and possibilities of betterment"<sup>118</sup>, or an openness to the God who

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<sup>109</sup> Lebacqz, 1987, p90

<sup>110</sup> Miranda, 1982, p75

<sup>111</sup> Miranda, 1982, p77

<sup>112</sup> Bonino, 1975, p121/2

<sup>113</sup> Quell & Schrenk, 1951, p44

<sup>114</sup> Lebacqz, 1987, p83

<sup>115</sup> Garcia, 1987, p92

<sup>116</sup> Lebacqz, 1987, p127

<sup>117</sup> Niebuhr, 1932, p81

<sup>118</sup> Sanders, in *Christianity and Crisis*, 33.15 (1973) p172

is somewhere "doing his thing, overthrowing the existing order"<sup>119</sup>, rather than reforming it?

### Justice and Partiality

Rooted in the grace which comes from beyond any current horizons, Biblical justice is dynamic/creative and has to do, crucially, with relationships. We depart further from Western "classical" notions on the issue of partiality. Miranda cites John 3.17 as rejecting a concept of judgement which is not saving (ie bringing justice), a concept that belongs much more naturally with an English (or American) idea of the role of the judge than with the Hebrew and OT concept of judge. "It is not the 'blind' rendering 'to each his own' - which presupposes a stable and basically unchangeable order - but the liberation of those who have been deprived of the conditions for an authentic human life"<sup>120</sup>. This aspect of the preferential option for the poor is basic, but not exclusive, to liberation theology. Karl Barth can be cited for the basic premiss that God takes sides with the victims of injustice: "God always takes his stand unconditionally and passionately on this side and on this side alone: against the lofty and on behalf of the lowly"<sup>121</sup>.

But to deny the impartiality of justice is to be in conflict with one of the basic assumptions of most commentators. The impersonal "blindness" of justice which like God is "no respecter of persons" (Acts 10.34), treating each person alike, or treating like cases alike, is generally seen as at the heart of what justice is about (and even what *agape* is about<sup>122</sup>). Thus Quick says "justice ... while it is personal in so far as it treats every person as an end in himself, is nevertheless impersonal in so far as it treats all persons alike"<sup>123</sup>. The judge who knows one of the parties to a case is disqualified from acting because of his personal knowledge. Woodhead suggests that it is a masculine, distorted concept of *agape* which stresses equal regard for all, when even Jesus had a disciple whom he especially loved; it is this "equal regard" which she rejects as authentically part of love but sees as necessarily bound up with justice that leads her to separate the two<sup>124</sup>. But the Biblical insight that God's justice is rooted in his knowledge and love for us may start us thinking in another, more personal direction.

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<sup>119</sup> Alves, in *Christianity and Crisis*, 33.15 (1973) p175

<sup>120</sup> Bonino, in a mimeographed article cited by Garcia, 1987, p26

<sup>121</sup> *Church Dogmatics*, 11.1.386, T & T Clark, Edinburgh, 1957

<sup>122</sup> Woodhead, 1992, p50

<sup>123</sup> Quick, 1940, p13

<sup>124</sup> Woodhead, 1992, p50ff

Further, even-handedness, in an unjust world, perpetuates injustice; in a world where injustice is endemic, an abstract concept of justice (blind, with carefully balanced scales) will fail to right wrongs. Seeking the kingdom in a torn and conflictive society must mean taking sides with the victims: in situations of inequality, "justice must be partial in order to be impartial"<sup>125</sup>. It is only by a genuine compassion which identifies with the oppressed and shares their perspective that we get beyond the comforting assurances of an apparently impartial complicity with an unjust status quo - tears may indeed be the best way to get the dust out of our eyes. In relation to debt, there are issues raised here about the extent to which justice has to operate by rules (such as those providing for bankruptcy) which can be exploited by the unscrupulous as well as liberating those trapped in debt, or can take greater account of personal circumstances<sup>126</sup>. The case seems sufficiently made, at least that a Christian view of justice cannot take all the connotations of impersonal, impartial, blind justice of the classical model for granted.

### Sin and Injustice

The "flip-side" of this approach to justice may be seen in the consideration of sin. "From a liberation perspective, sin is not only an individual, personal and inward or spiritual fault but also a material, collective and socio-structural phenomenon", says Garcia<sup>127</sup>. But this concept of structural sin is not new or unique, going back at least to a 1937 ecumenical World Conference at Oxford<sup>128</sup> and the work of Niebuhr, and continuing as a commonplace of modern church pronouncements on social justice. Within liberation theology, this structural sin is variously described in terms of domination, dependence, alienation, anti-community, or injustice. Miranda, at one point, denies an identification of injustice with sin, while holding on to the sense that, for Paul and other Biblical writers "sin is incarnated in social structures, in the powerful wisdom of the world, in the human civilisation which forces us to act in a determined way in spite of the contrary conscience which man still has regarding what is good and what is bad"<sup>129</sup>. It is possible to retain a sense of personal responsibility within this without relegating structural sin to being a phenomenon secondary to individual sins. It is also possible to speak of structural changes which may "eradicate some specific ways sin

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<sup>125</sup> Mott, 1982, p66

<sup>126</sup> See further below ch5b

<sup>127</sup> Garcia, 1987, p91

<sup>128</sup> See WCC, 1992, p6

<sup>129</sup> Miranda, 1974, p182

manifests itself socially"<sup>130</sup> without speaking as if the (economic or political) revolution were about to abolish sin. Although a "theology of the cross debunks every ideology that claims that the original sin that infects all humanity will be removed as a result of structural changes in the world wrought by human praxis"<sup>131</sup>, it represents a caricature of what Miranda and others are saying to suggest that this is his claim. However, that a theology of the cross can profoundly illuminate an understanding of the demand for justice is evidenced in the works of Moltmann and Gunton<sup>132</sup>.

In fact, it is in this deeper concept that liberation theologians take sin very seriously indeed. If anything, they may fail to be radical enough when they struggle (by means of their stress on individual conscience) to retain individual responsibility in situations of original sin, as does John Paul II in continuing to see personal sin as "the fundamental category"<sup>133</sup>. It is in that sense of original, structural sin (which insinuates itself between buying and selling<sup>134</sup>) that Christianity can speak of sin without identifying an individual sinner.

### Criteria for Justice

While the account of justice given above to a large extent precludes definition of the content of justice, liberation theologians, as Garcia repeatedly notes, are clear that need rather than merit is the basic Biblical criterion for justice. Distinctions (of a charity-based approach) between the deserving and undeserving poor are ruled out as foreign to the Bible, and need rather than merit is decisive of what one is due. "Justice is a distributive concept, concerned with the question of how economic goods and social services are to be distributed" says Garcia<sup>135</sup>, adding that this arises because of scarcity (implying the "zero-sum" perspective which market proponents deny as an assumption). "Holiness" writes Dussel "is the love that struggles, that divides everything on the basis of each one's needs"<sup>136</sup>.

This idea of need as basic to justice is shared, for example, by the Commission on Social Justice<sup>137</sup>, but to say that justice demands distribution according to need may beg questions. Unless human needs are said to be equal

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<sup>130</sup> Garcia, 1987, p143

<sup>131</sup> C E Braaten, *The Apostolic Imperative*, Augsburg, Minneapolis, 1985, p101/2

<sup>132</sup> Moltmann, 1974, and Gunton, 1988, discussed in chapter 6

<sup>133</sup> Langan, 1991, p277

<sup>134</sup> Ecclesiasticus 29.1/2

<sup>135</sup> Garcia, 1987, p141

<sup>136</sup> Dussel, 1988, p174

<sup>137</sup> Commission on Social Justice, 1993a, p16



(Soelle declares the sabbath/jubilee legislation takes this as its starting point<sup>138</sup>), how are they to be assessed? Newbigin argues that, by the privatisation of questions of human destiny, in liberal democratic society "the only basis upon which 'needs' and 'wants' could be weighed against each other is excluded"<sup>139</sup>. Ignatieff, while recognising the language of need as one (non-teleological) language of the good, raises the issues of whether there are to be "experts in need" or whether people are to be left to choose what they need<sup>140</sup> (if that is not a contradiction in terms). The market claims to give that freedom, yet can only register needs that are expressed in purchasing power so that "in a modern consumer society wants are manufactured to meet the needs of industry while the needs of people remain unmet"<sup>141</sup>. Which "needs", then, are to be recognised? We may well agree with Nyce's endorsement of Ruether, saying that "God's will done on earth means the fulfilment of people's basic human physical and social needs: daily bread, remission of debts ..."<sup>142</sup>, but the number of words used to qualify "needs" itself shows the problems of definition of which needs are to be satisfied. Miranda, who takes this principle of allocation "to each according to his need" from Jesus (whom he sees as being "in fact a communist"<sup>143</sup>) to communism as the only system avoiding the exploitation and spoliation of some by others<sup>144</sup>, also recognises that liberation salvation means more than meeting the physical needs of the poor<sup>145</sup>; justice is about relief from oppression, rather than purely matters of allocation or distribution.

Meeks raises another reservation about the language of needs, which "seldom serves the just distribution of access to life and life abundant in the public household"<sup>146</sup>. This takes the discussion not only into non-material needs but also into issues of participation. Beckley says that it is the resources that people need in order to participate in society that are basic to the criteria liberation theologians offer for justice<sup>147</sup>, and participation has been a continuing dimension of Roman Catholic teaching on social justice<sup>148</sup>. It also may be seen running through the approach of the Commission on Social Justice, under the guise of "opportunity" and

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138 Soelle, 1992, p96

139 Newbigin, 1992, p310

140 Ignatieff, 1984, p14, 78 & 136/7

141 Newbigin, 1992, p309

142 Nyce, 1990, p89

143 Miranda, 1982, p18

144 Miranda, 1982, p30

145 See Lebacqz, 1986, p109

146 Meeks, 1989, p177

147 Beckley, 1992, p353

148 Lebacqz, 1986, p69



the need for a welfare state that is enabling<sup>149</sup>. Just as the S/J cluster of legislation did not leave matters simply with the cancellation of debts but sought the return of a (material) base on which future participation in the community could be built, so justice is denied where there is social and economic exclusion, in areas where "there is simply no economy - no banks, no shops, no work"<sup>150</sup>. As Mott argues, justice concerns people in community and therefore is oriented toward re-establishing as active, participating members of a community those who have been excluded<sup>151</sup> (the reasons for which exclusion may range from debt to disability). Participation is, then, a vital constituent of justice, which, as we have seen, raises complex issues in relation to credit and debt, when participation in the credit society is at stake.

Yet Schluter and Lee rightly point to the ambivalence of the concept of (individual) choice as conclusive of the satisfaction of needs or creative of justice - exercise of choice can "rectify structural injustices which otherwise would keep people tied into bleak and unworkable relationships ... but clearly choice is more than a guardian of justice"<sup>152</sup>, referring to its glorification within consumer society and destructive possibilities for relationships. In fact, in the name of preserving freedom of choice, injustice can be exacerbated. Similarly, the Commission on Social Justice's "new agenda of opportunity", autonomy and choice, based on the argument that "there is a limit to what government can do for people but there is no limit to what they can be enabled to do for themselves"<sup>153</sup> not only has uncomfortable Biblical echoes of Babel, but seems in conflict with the injustices which have resulted from the exercise of power by those who can easily "do for themselves". Yet opportunity and choice are not to be discounted entirely as ingredients of social justice, especially when viewed in the context of participation in the community.

Another term from traditional Roman Catholic teaching (going back to Aquinas) which seems to be re-emerging, sometimes as a substitute for justice, is that of the common good. Langan sees this as John Paul II's preferred term to justice, and Dorrien, from a more radical perspective, speaks of "reconstructing the common good"<sup>154</sup>. Particularly in light of MacIntyre's analysis discussed above, it is clear that such a reconstruction is more than problematic, and the term does not

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<sup>149</sup> Commission on Social Justice, 1994, p95, 104 & passim

<sup>150</sup> Commission on Social Justice, 1994, p81

<sup>151</sup> Mott, 1993, p81

<sup>152</sup> Schluter & Lee, 1993, p43

<sup>153</sup> Commission on Social Justice, 1993a, p52 & 11

<sup>154</sup> Dorrien, 1990, title and passim

seem to solve any of the quandaries or problems of justice discussion. Thus Jenkins speaks of a paradox of current thinking - "there is no common good; we cannot have it, we probably should not have it, and we desperately need it"<sup>155</sup>. Primarily, in response to "lived" injustice, it is justice which we need, and which is demanded of us, although a reconstructed common good could contribute towards that by challenging the ideology which justifies "the way things are".

### Conclusion

What then, are the positive characteristics contributed by liberation theology to the understanding of social justice? Justice, here, clearly has the blindfold off, and is much more than a juridical or procedural concept; it has to do with relationships, with human needs and with righting wrongs, in a much more proactive, interventionist, restorative way; a sense of collective, community responsibility is stressed against an approach stressing individual responsibility and guilt. And it is not a theory or a set of principles, but a series of concrete demands and experiences; to paraphrase a famous phrase of Marx, theories of justice tend merely to describe/understand injustice (even excuse it), when the point is to change things.

Sometimes Miranda's case in particular seems clearly selective. To say that "all Biblical legislation originally had the purpose of looking after the rights of the neighbour"<sup>156</sup> seems to be selecting one strand of the tradition (as represented by eg Deut 5.15's exposition of the Sabbath commandment as concerned with the rights of the poor) arbitrarily over another (represented by Exodus 20.11 which roots the Sabbath commandment in the pattern of divine activity in creation). The question is whether the argument is ultimately reductionist: does he reduce God to the demand for justice, or is it others who reduce God in order to avoid the demand for justice?

There are, I think, serious exegetical problems in Miranda's work which make it inadequate as an account of social justice. Ultimately, he may be more trapped by his Western training (he studied theology at the University of Frankfurt and biblical studies at the Biblical Institute in Rome in the 1960s) than he realises or admits. Alternative approaches, such as narrative theology with its exposition through story rather than word motif studies, might well be more productive in drawing out the Biblical demand for and meaning of justice (as is suggested by Lebacqz's stress on "remembering" as crucial to justice). However, the basic thesis

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<sup>155</sup> Jenkins, 1994, p2

<sup>156</sup> Miranda, 1974, p143

that God is known in the demand for justice is, I think, only refuted in so far as it is an exclusive claim.

There is, in liberation theology and beyond it in the work of Lebacqz, Mott and others, a profound and consistent challenge to rethink "accepted" (in Western thinking) interpretation. Our (reformed) individualism (read into the New Testament especially) may take us away from the uncomfortable truth of words to our societies/communities; doctrines such as the Lutheran two kingdoms may be accommodations, with little Biblical basis. What emerges is, as Mott expresses it, a justice which is "a call for action more than a principle of evaluation", an intervening power or deliverance, which has continuity with God's action (and therefore with love), which is concerned with persons in relation, in communities, and which seeks restoration of, and to, community: it is a demand and responsibility for persons and for governments<sup>157</sup>.

While the jubilee cluster of legislation proved in the previous chapter the bridge from debt towards justice, it also provides a dramatic paradigm of the Biblical understanding of justice, which "always requires the redressing of imbalances and the restoration of people to a new beginning place"<sup>158</sup> and in which forgiveness or mercy is seen as a dimension of the justice that comes from God.

Although this consideration of the theology of social justice has largely been a step removed from matters of debt, it provides a context in which liberation theologians and ecumenical bodies have mounted their critique of the international debt crisis<sup>159</sup>. Thus they have challenged the "perverted" thinking by which it is automatically "just" to repay and unjust to remit the debts which are so crippling to many Third World countries, and the "perverse jubilees" whereby debt adjustment has been accompanied by fresh mechanisms of subjection<sup>160</sup>, in favour of a creative, Biblically modelled justice which takes account of people's needs and is oriented to the future and to the establishment of right relationships.

In terms of domestic debt, the Commission on Social Justice, at a macro-economic level, have pointed to the credit explosion as diverting resources from investment into consumption<sup>161</sup>, while Galbraith has also drawn attention to the massive subsidy to the "contented" in the USA via government underwriting of

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<sup>157</sup> Mott, 1993, p79-87

<sup>158</sup> Lebacqz, 1983, p41

<sup>159</sup> See eg Jones (ed), 1988, *passim*

<sup>160</sup> Assman, in Jones (ed), 1988, vol1, p20

<sup>161</sup> Commission on Social Justice, 1993b, *piv*

savings and loan companies, and a culture in which entrepreneurs may "fail" but can do no wrong<sup>162</sup>. Schluter and Lee's relational perspective has led them to question the impact of interest-charging on relationships and to see that relational justice demands new financial instruments<sup>163</sup>.

In this chapter, too, we have seen that the understanding of justice developed here brings a different perspective to bear on creditor/debtor relations; it is not only the "extra mile" of love which demands that the circumstances of both creditor and debtor be taken into account by the other, but a Christian understanding of justice will consider their needs, their relationship and their power within the economic setting in which they make their contract. These piecemeal attempts to set debt problems in a Biblical justice setting (along with the comments interspersed in this chapter) provide a glimpse of what is possible; the purpose of this study is to contribute to a more comprehensive analysis, responding to the inescapable demand of justice in this area. Before that, time must be taken to reflect on two theoretical assaults on the whole concept of "social justice". Hayek is chosen as representative of the new liberal right which currently sets the agenda for political thinking in the UK at least, and Marx is chosen because the (liberation theology) thinking outlined above draws on much of his work yet comes to very different conclusions. Their secular arguments strike at the validity of any notion of social justice (and particularly at some of the aspects of Christian understanding discussed here); they have to be taken seriously by any Christian attempt to argue in the name of social justice.

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<sup>162</sup> Galbraith, 1992, p75

<sup>163</sup> Schluter & Lee, 1993, p199 & 270

## 5. The Assault on Social Justice

### (A) Marxism

The understanding of social justice developed in the last chapter is quite explicitly Christian, derived from the Bible and other aspects of Christian tradition, but it cannot be exempt from secular critique. Indeed, many of the criticisms of theories of social justice, from both left and right, have focused on the religious dimension of (or justification given for) social justice. The task of this chapter is to take seriously at least two major forms of critique, and assess whether the understanding developed above can survive them, and in what form.

At first sight it may seem strange to list Marxism along with those who attack the concept of social justice, when most people would more naturally see Marx as an ally in upholding the validity of the demand of / quest for social justice. Ellul, for example, reckons that the challenge of Marxism to Christianity is "obviously based on justice"; communism, for him, "has as its objective the creation of a just society"<sup>1</sup>. Theologians of liberation, like Miranda, who are often said to be infected with Marxism, identify God with the demand for/of justice. Further, "when we read Karl Marx's descriptions of the capitalist mode of production in *Capital* and other writings, all our instincts tell us that these are descriptions of an unjust social system"<sup>2</sup>.

However, a closer reading of Marx's (and Engels') writings reveals that this pervasive impression is in fact quite contrary to what the writers themselves say. In fact Marx and Engels have some scathing and incisive things to say about the concept of social justice, and there are some surprising similarities between what they say and some modern liberal criticisms of the concept, possibly reflecting the common influence of Adam Smith on their economic ideas.

Before starting into that, it should be noted that entering as a theologian into discussion of the Marxist texts is like entering into a minefield, and one which has certain similarities with that of Biblical exposition / criticism; arguments hinge on niceties of translation (notably of *recht*-rooted words), debates arise about the use of irony in the texts (notably in Marx's analysis of justice in capitalist society), and there are fierce disagreements about the internal consistency of the Marxian corpus.

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<sup>1</sup> Ellul, 1988, p6

<sup>2</sup> Wood, 1972, p244



While Marx's expressions of views on justice may indeed be "bewilderingly ambiguous" and impossible to reconcile with each other<sup>3</sup>, the argument here is not based on the infallibility of the text. Since the purpose is not to provide a full critical evaluation of Marx on justice but to establish whether he has anything to say which might either undermine the validity of the concept of social justice, or help to refine that concept, this account will not concern itself with issues of internal consistency except insofar as these threaten the validity of Marx's particular points of critique. If Marx has something penetrating to say, it will be given full weight even if he may have said something else that points in a different direction.

Many of the key areas in Marx's critique of (social) justice have at least echoes of more recent liberal and Conservative attacks on the concept, particularly in relation to (a) the vagueness of the concept, which threatens its usefulness and ultimate validity (b) the tendency to concentrate on matters of distribution rather than production (c) the relation of a concept of justice to the system in which it operates (d) a suspicion of values (as against a rational or scientific approach) (e) issues relative to Kantian "respect for persons" (f) the priority of freedom over matters of social justice (g) questions of spontaneity vs control/planning in society (h) a rejection of primitive communities as models for later societies and (i) matters relating to the form, content and result of rules. These areas will now be considered in turn, before moving on to areas in which Marxist analysis is in line with aspects of the Biblical picture outlined in the previous chapter.

### The Concepts of "Social Justice"

Marx and, especially, Engels anticipate Hayek's criticism of appeals to social justice as meaning all things to all men, therefore being meaninglessly vague and simply causing confusion and division. "The conception of eternal justice therefore varies not only with time or place but also with the persons concerned, and belongs among those things of which Mulberger correctly says "everyone understands something different""<sup>4</sup>; justice is "social phlogiston" (a non-existent substance once thought to be given off during the combustion process), and Marx notes that, among the moralising socialists each sect has its own notion of justice and rights<sup>5</sup>.

Where Hayek goes on to suggest that appeals to justice therefore camouflage claims based on envy and self-interest, Marx develops the argument in two

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<sup>3</sup> Elster, 1985, p217 & 230

<sup>4</sup> Engels in Marx & Engels, 1988, p381

<sup>5</sup> Marx, 1977, p566



directions. First he points out that, to have any real meaning, justice must refer to the (production-based) system in which it is claimed to be present (or absent) (see below for further discussion of this); but he also suggests that, without reference to a concrete system or situation, justice represents a "goal with no historical content"<sup>6</sup>. On this latter point, then, he seems to come to the same conclusion as Hayek - social justice is a mirage. It would be unrealistic to argue against the variety of concepts of (social) justice, or to dispute Engels' finding that even the acceptance of universal philosophical principles of justice seems quite compatible with serious disagreement as to what sorts of social arrangements are just and unjust<sup>7</sup> (and this even before the emergence of the pluralistic society !). Yet it would be equally unrealistic to deny the power of the appeal to (social) justice, even in the absence of any significant consensus as to its meaning.

Machan suggests<sup>8</sup> a distinction between **conceptions** (of justice), which will vary, and **the concept** which ties the various conceptions together. I'm not convinced that this is helpful as a distinction unless the concept can be clearly formulated; nor, however, does it seem necessary for there to be a consensus (far less unanimity) about the meaning of a concept or conception for it to be possible to talk meaningfully about it so long as the basis of one's discussion is spelt out. In other words, the Marxist criticism at this point seems to function more as a warning against woolly thinking than as a conclusive attack on the validity of the concept.

### Justice and The "System"

Marx, however, goes on to say that the validity of the concept of justice is further undermined by its reference to matters of distribution rather than production. "It was in general incorrect (of the socialists who emphasised justice) to make a fuss about so-called distribution and put the principal stress on it. The distribution of the means of consumption at any time is only a consequence of the distribution of the conditions of production"<sup>9</sup>. It is, then, the system of production that is crucial and determines (or, Marx suggests in less determinist passages, restricts and influences) the pattern of distribution. Of course it is not only the Marxists who would stress the importance of production against distribution, and the neo-liberal stress on the free market as the basis of a free society is very much tied to the private ownership of the means of production. The paradox here may be that the concept of a share-owning

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<sup>6</sup> Wood, 1972, p270

<sup>7</sup> Engels in Marx & Engels, 1988, p381

<sup>8</sup> Machan, 1985, p222

<sup>9</sup> Marx, CGP, p15

democracy is based on a Marxist assumption about the significance of the ownership of the means of production (both neglecting the separation of ownership from control in modern capitalism).

Marx's "Critique of the Gotha Programme" is a sustained assault on those socialists who think that the problems of capitalism can be solved by appeals to justice in the distribution of its products; such reformism cannot grapple with the root problems until it recognises that systems of distribution (and other systems, political and legal) are aspects of the basic productive activity. Without arguing between a hard, determinist reading or a softer one with more room for interaction between production-base and "superstructure", there does seem to be enough validity in Marx's thesis to force the conclusion that any social theory that fails to take account of production as well as distribution has a severely limited viability (and the "conversion" of Conservatives to this view may strengthen the argument here!). That leaves the question of whether the concept of justice necessarily refers only to matters of distribution. If injustice is experienced primarily in the context of distribution, that surely does not mean, as Marx seems to suppose, that we cannot talk meaningfully about justice in the system of production (so long as justice may refer to results of actions and of systems, a question discussed below).

Marx, however, would argue that each system of production "creates" its own concept of justice through its own internal logic; thus slavery may be reckoned to be unjust within capitalist society but not so in feudal society. Again, there is a similarity with those who, from a different base, would see the development of an understanding of justice being a matter of developing the logic of the system. It is on this "system-relative" account of justice that Marx can be held to claim that capitalism is "just" (and indeed that attempts to adjust the pattern of distribution will be "unjust" in terms of the logic of the system).

There is some dispute about the reading of Marx here, between those who argue a "fundamentalist" line quoting passages in which Marx denies the injustice of capitalism, and those who claim that he has his tongue firmly in his cheek here, satirising the logic of the capitalist<sup>10</sup>. When Marx describes the market as "a very Eden of the innate rights of man which satisfies the rights of freedom, equality and property"<sup>11</sup>, his purpose is not to give the market the eternal stamp of virtue! As McBride says, Marx uses justice occasionally at least to mean "action in accordance

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<sup>10</sup> Vid Wood, 1972, Husami, 1978, Holmstrom, 1977, etc

<sup>11</sup> Marx, 1954, 1.172

with the established rules of the dominant socio-economic system and nothing more"<sup>12</sup>; for example, Marx says that "this content (of juristic forms) is just whenever it corresponds, is appropriate to the mode of production"<sup>13</sup>. What is clear, then, is that Marx employs a concept of justice as a system-relative term, by which it makes sense to describe fraud as unjust within capitalism but doesn't make sense to speak of low wages as unjust within that production system.

Marx also criticises this bourgeois concept of justice whereby "capitalist transactions generate the appearance that they are *transhistorically* just"<sup>14</sup>. Thus he cites with disdain contemporary approval of the Sutherland clearances as "one of the most beneficent clearings since the memory of man"<sup>15</sup>. But Elster rightly points out that Marx's criticism here is of the pretensions of the claims made; he is not making the counter-claim that such transactions are *transhistorically* unjust<sup>16</sup>.

Where there is doubt is as to whether Marx would see any use for a concept of justice in providing any **external** criticism of the system. Although Husami argues that Marx provides a critique of the injustice of capitalism from a proletarian standpoint, it is hard to find examples of Marx using the concept in this way. Indeed, he says quite explicitly that "right can never be higher than the economic structure of society and the cultural development thereby determined"<sup>17</sup>. So Wood argues that, for Marx, "justice is not a standard by which human reason in the abstract measures human actions, institutions or other social facts. It is rather a standard by which each mode of production measures itself"<sup>18</sup>. Wood goes on to claim (rightly, I think) that this does not commit Marx to ethical relativism, since "one does not have to be a relativist to believe that the justice of an action depends to a great extent on the circumstances in which it is performed"<sup>19</sup>. However, this would seem to lead logically to the conclusion that reforms of capitalist distribution in the name of social justice are likely to be "unjust" (as inappropriate to the system), and Marx (like Dussel and other liberation theologians) is scathing of reformists who fail to be sufficiently radical in either critique or action. However, in a system which is not static but continuously in the process of changing, the resultant conflicts about what

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<sup>12</sup> McBride, 1977, p76

<sup>13</sup> Marx, 1959 3.340

<sup>14</sup> Elster, 1985, p220 (my emphasis)

<sup>15</sup> Marx, 1954, 1.683

<sup>16</sup> Elster, 1985, p220

<sup>17</sup> Marx, CGP, p14

<sup>18</sup> Wood, 1972, p256/7

<sup>19</sup> Wood, 1972, p259

is just may be part of the process of change in the interaction of base and superstructure (much on the lines of Marx's own analysis of the internal contradictions of capitalism)<sup>20</sup>. Perhaps this insight underlies Marx's own comment that the demand for justice only arises in a system that is incapable of fulfilling its demands.

There is, of course a dimension of Marxism that claims to be scientific rather than moralising. Although Husami claims<sup>21</sup> that Marx's critique of capitalism is primarily moral (and indeed this may be how many people understand Marx), Marx himself emphatically denies this, notably in his criticisms of the "moralising" socialists. In this he is close to those theorists of justice like Rawls who claim to develop a theory on purely rational/logical lines without reference to the arbitrariness of values; like them he does seem often to get values in by the back door. It is very difficult to read the analysis of capitalism, the discussion of "fetishism", "alienation", "exploitation" without hearing a sense of moral outrage not dissimilar to that which informs the appeal for justice; it is equally hard to see what meaning can be given to terms like "distorted" and "undistorted" desires and consciousness without implying an appeal to some idea of values. Thus Gould says that "Marx's description of the social facts is at the same time a consideration of their normative import"<sup>22</sup>; while he gives no systematic account of the underlying values, the force of his critique of alienation and exploitation within capitalism is clearly normative<sup>23</sup> and implies an understanding of justice. In fact, exploitation may be seen as the Marxist paradigm of injustice<sup>24</sup>.

While denying bourgeois concepts of human nature, Marx's concept of man's "species being" underlies much of the scientific critique, if sometimes as a hidden agenda. He could see the futility of appealing purely to moral ideals, but his doctrines of historical inevitability and of revolutionary motivation are very problematic (in much the same way as others have problems with the concept of rational self-interest)<sup>25</sup>. Perhaps when Husami claims that "Marx can validly employ the principle of just distribution according to needs to evaluate capitalism"<sup>26</sup>, he has forgotten that Marx claims not to be conducting an "evaluation". Although Marx

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<sup>20</sup> See McBride, 1975, p214

<sup>21</sup> Husami, 1978, passim, esp p63

<sup>22</sup> Gould, 1978, p170

<sup>23</sup> Gould, 1978, p129

<sup>24</sup> Kymlicka, 1990, p171

<sup>25</sup> Buchanan, 1982, p101/2

<sup>26</sup> Husami, 1978, p57

does refer with apparent approval to the slogan "from each according to his ability, to each according to his needs" as a characteristic of communist society<sup>27</sup>, he does not use it as a tool to evaluate capitalism, nor as the blueprint for building communism. Indeed the concept of desert, and the "contribution" principle, function more in this way; later Marxist practice, however, has tended to stress the needs principle as a criterion of distributive justice.

### Values in Marxism

It might be argued that, like the neo-liberals, Marx operates from a Kantian base of respect for persons and the refusal to treat them as ends. His characterisation of the "mutual pillaging" of the market, in which people view each other's needs and desires as levers to be manipulated, shares enough of this Kantian basis to function as an important critique of Hayek's position on this<sup>28</sup>. Capitalism inevitably entails using people as means rather than ends, an instrumental relationship of which money is the expression.

This analysis of the market, of course, depends on an understanding of freedom that has a clearly economic dimension. For Marx, the free creation of objects is the very basis of personality and development; the private ownership of the means of production defines the unfreedom of the majority, and the apparent willingness of the worker to enter into a wage-labour contract is not conclusive of his real freedom in the situation (the freedom and equality of such transactions being an illusion)<sup>29</sup>. In fact, it is not unreasonable to read Marx as having an ethic that is more freedom-based than justice-based, to see freedom or self-realisation as the central value of his analysis, and to view justice as being important primarily as a step towards freedom<sup>30</sup>. He is very hostile to the coercive apparatus of the state as a weapon of the bourgeoisie and, like Hayek, believes that theories of (social) justice typically justify restrictive legal systems<sup>31</sup>. His analysis of exploitation is much more based on the denial of autonomy than on a claim (such as made by the socialists) of injustice; "this exploitation of the labourer by capital is not a form of injustice, but it is a form of servitude"<sup>32</sup>. The communist society is not described as just but as one of "autonomous, socially regulated individuals"<sup>33</sup>.

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<sup>27</sup> Marx, 1977, p569

<sup>28</sup> Buchanan, 1982, p39

<sup>29</sup> See Buchanan, 1982, p54

<sup>30</sup> Gould, 1978, p162 & 129

<sup>31</sup> McBride, 1977, p137

<sup>32</sup> Wood, 1972, p277

<sup>33</sup> Buchanan, 1982, p164



Marx stands against a planned economy or society; in fact, as we shall see, that is why he rejects a role for a concept of justice in communist society. Like Hayek, he stresses the spontaneity of this society, and in that sense would see it as beyond questions of justice, which belong in a competitive individualist society which, inherently, cannot satisfy the demand for justice it induces. Buchanan suggests that Marx rejects an adversarial / adjudicative concept of justice in favour of a view of justice as a "spontaneous harmonious order"<sup>34</sup>; the difference from Hayek, then, being that Hayek has a similar model to describe capitalism *now* rather than a future society. Again, however, there is little evidence in Marx to suggest this spontaneous order is to be seen in terms of justice. Rather, in its spontaneity and in its abundance it is beyond justice. Justice, then, is seen as at best a necessary evil in capitalist conditions of scarcity, and at worst a "barrier to a higher form of community under abundance", when "it is better if people act spontaneously out of love for each other, rather than viewing each other as bearers of rights, because a concern for justice displaces love"<sup>35</sup>. This separation of justice and love, as noted in the previous chapter, implies a restricted view of justice, but Buchanan does not convincingly show that Marx rejected this concept or advocated (or even regularly used) the wider concept found Biblically and discussed in the last chapter.

Marx, with emphasis equal to Hayek's, rejects an idea of a return to the values of an (idealised) primitive society. Because of his stress on the development of the production base, he rejected "the tendency of other thinkers such as Rousseau and Hegel to idealise the political life of the ancient world and to long for its restoration"<sup>36</sup>; he also saw tribal societies as being based on an "immature development of man individually"<sup>37</sup> and thus achieving social integration at the expense of the development of human personality.

Underlying much of the above discussion is the question of whether the justice of transactions is a matter of form or of content, and whether that justice depends on the consequences of the transaction. When Wood says "the justice of transactions, Marx says, is not a matter of form but of content"<sup>38</sup> (a statement for which he gives no reference in Marx's work), he seems to mean that juridical forms (and therefore theories of justice that concentrate on these) are meaningless if

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<sup>34</sup> Buchanan, 1982, p82

<sup>35</sup> Kymlicka, 1989, p122/3

<sup>36</sup> Wood, 1972, p254

<sup>37</sup> Marx, 1954, 1.79, cited by Buchanan, 1982, p13

<sup>38</sup> Wood, 1972, p257



abstracted from the situation (production system) in which they arise. This does not prevent him from going on to say that "the justice of acts or institutions does not depend for Marx on their results or consequences"<sup>39</sup>, a conclusion with which Hayek would be happy. However, we must remember that this is in the context of justice as an internal criticism of the system; "for Marx, a transaction is just on account of its function within the whole, and not on account of its consequences for the whole"<sup>40</sup>.

For Marx, the results of a transaction are a function of the system; therefore, to comment on results in terms of justice is to use the concept in a way in which Marx is, generally, unwilling to do, as external criticism. It may be worthwhile to look at this in the context of a more specific example - Marx's analysis of exploitation. Despite using what seems a value-laden term, Marx purports to discuss this in value-free terms; he certainly refrains from calling exploitation unjust (as seen above). Exploitation is a descriptive term, not of distribution matters, but of "forced, unpaid, surplus labour, the product of which is not under the producer's control"<sup>41</sup>. In his analysis, Marx concentrates on the explanation of this, not on the consequences in terms of the living standards of the workers. Thus he resisted those who sought to mount campaigns for a "just wage", on the grounds that an improvement in wages cannot undo the exploitation that is inherent in the system of privately owned means of production. Thus, while for the contemporary reader and indeed many avowed Marxists "the claim that ... exploitation and injustice are disjunctive is not tenable"<sup>42</sup>, Wood and others are right in asserting that Marx himself tried to keep the concepts separate. Marx's effort does not seem ultimately convincing beyond his own narrow, juridical definition of justice. That definition may be partly a linguistic problem, for both English and German, though especially for German in which the same root *recht* covers law and justice. We may well wish to see Marx as accepting the validity of a legal / juridical concept of "justice" but rejecting a concept of "social justice" which refers purely to the distribution system ("distributive justice"). He certainly is to be distinguished from the liberals in his rejection of juridical equality as the means to preserve moral equality<sup>43</sup>, and he is, in one sense, more radical in his individualism since he rejects the possibility of

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<sup>39</sup> Wood, 1972, p258

<sup>40</sup> Wood, 1972, p289

<sup>41</sup> Holmstrom, 1977, p359

<sup>42</sup> Husami, 1978, p58

<sup>43</sup> Kymlicka, 1989, p106f

"justice" achieved through general rules because any general rule must by definition neglect relevant differences<sup>44</sup>.

One reason for his rejection of "social justice" is in terms of Marx's rejection of moral ideals as effective in producing change. I can find very little evidence for Husami's claim that "such (Marxian) norms (as justice) serve a critical function in transforming the consciousness of the proletariat, conferring on it the power of the negative or making it the agent of revolutionary change"<sup>45</sup>. Nor do the passages in the Critique of the Gotha Programme in which Marx speaks of the "contribution" principle ("to each according to his contribution") and its transcendence in communist society by the "needs" principle) seem adequate as the basis for a reconstructed Marxist hierarchical view of justice (such as Elster postulates<sup>46</sup>). Buchanan, Wood and others are right in contending that this is not Marx's own analysis; it may well, however, be a useful refinement or development of part of his critique.

However, there is another problem, relating to the validity of such a term as "Marxian norms". Marx eschews the use of concepts of justice or right appropriate to one (eg communist) society as tools of criticism of another (eg capitalist); "the temptation to apply post-capitalist juridical standards (however they may be understood) to capitalist production can only derive ... from the vision of postcapitalist society as a kind of eternal juridical structure against which the present state of affairs is to be measured and found wanting"<sup>47</sup>. Marx refuses to use the "vision" of a communist society in that way; and as seen above he does not describe communist society as "just" anyway. Rather he would see it as having transcended the questions of justice that arise in capitalism (and earlier societies) due to conditions of scarcity and conflict; democratic control will be sufficiently harmonious and bountiful to eliminate distributive conflicts<sup>48</sup>.

There may be an over-optimism here about the impending redundancy of the concept, (particularly if abundance replacing scarcity is its precondition), and later Marxists have stressed the "needs" principle as a criterion of justice. However, it is undeniable that Marx believed not that communist society would conform to a particular pattern of justice but that it was beyond such concepts, in much the same

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<sup>44</sup> Elster, 1985, p221

<sup>45</sup> Elster, 1985, p39

<sup>46</sup> Elster, 1985, p229/30

<sup>47</sup> Wood, 1972, p270

<sup>48</sup> Buchanan, 1982, p58

way as it would be beyond religion as the factors producing religious consciousness would disappear. There would of course be some Christians who would see the Kingdom as beyond justice in the same sense of adjudication of rights; in fact may be said to fit readily with the Pauline treatment of the Law, as Tillich picks up when he says "he who needs a law which tells him how to act or how not to act is already estranged from the source of the law which demands obedience"<sup>49</sup>.

Perhaps Marx's most important contribution to the study of justice lies in his critique of ideology. "Does it require deep intuition to comprehend that man's ideas, views and conceptions, in one word man's consciousness, changes with every change in the conditions of his material existence, in his social relations and in his social life?"<sup>50</sup>. (Judging by the number of philosophers and theologians who assume the opposite, the answer to Marx's question seems to be "yes".) The basic point here may be taken to be that "in every epoch the ideas of the ruling class are the ruling ideas"<sup>51</sup> and "each new (ruling) class ... has to give its ideas the form of universality and represent them as the only rational, universally valid ones"<sup>52</sup>. Thus appeals to concepts of (eternal, absolute) human nature are abstractions since human nature is seen as in continuous transformation; thus Bentham, for example, takes the English shopkeeper as the norm of "man" ( a "grocer's shop" model that may have recently been in vogue, though largely displaced by the consumer model).

Again there are "soft" and "hard" interpretations of Marx's argument here. At the "hard" end, we are left with no role for philosophy even in the interpretation of society; at the "softer" end, we have what is now a commonplace of the sociology of ideas, that the content of apparently universal concepts is historically conditioned. A resultant sharpening of our senses when we hear appeals to "justice", and a wariness of how the concept can be abused would be useful fruit of Marx's argument. In Christian terms, we might say that original sin affects our moral thinking and concepts with the desire to justify ourselves (which need not be self-conscious). He is not simply saying that ruling classes manipulate the world of ideas to their own advantage, but that even with good will ideas and concepts are children of the time (or more precisely the mode of production in which they arise). However, Marx does leave some room for ideas within the process of change. "When people speak of ideas that revolutionise society they do but express the fact that within the old

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<sup>49</sup> Tillich, 1968, Vol2, p54

<sup>50</sup> Marx, 1977, p236 (Communist Manifesto)

<sup>51</sup> Easton and Guddhat (eds), 1967, p438

<sup>52</sup> Easton and Guddhat (eds), 1967, p439

society the elements of a new one have been created"<sup>53</sup>. On that argument, one might see that the perception of injustice in capitalist society would be a sign of its emergent contradictions. The danger, for Marx, would be either in getting distracted by dealing with philosophy rather than revolutionary praxis, or in getting side-tracked into dealing with the symptom rather than the cause. Tinkering with the superstructure is, for Marx, wasted effort.

### Does Marx Leave Room For Justice ?

Is it possible, then, to say that Marx has room for a concept of justice? Lukes describes four positions which have been "ably and convincingly defended", namely (1) Marx thought that the relationship between capitalist and worker was just (2) he thought it was unjust (3) he thought it was just in one aspect and unjust in another and (4) he thought it was neither just nor unjust<sup>54</sup>. All of these arguments have been drawn on above, and for the purposes of this thesis one of the most important points seems to be that Marx does see the use of a concept of justice as a test of the internal logic of a system; in that sense it may even help to make clearer the internal contradictions of the system. It is when we come to the possibility of a concept of social justice furnishing an external demand that Marx allows less validity in the concept. Both Marx and Engels criticise the "mystification" and "glorification" of the concept of justice, seeing it as an attempt to give socialism a higher ideal orientation by replacing the proper materialist base with a "modern mythology"<sup>55</sup>. What is not always clear is whether they simply saw this as an abuse of the concept (and their own efforts directed to "clarify the role of the concept of justice in social life"<sup>56</sup>) or whether they would reject any constructive role for the concept.

As Wood also says "those who attempt to construct a Marxian idea of justice from Marx's manifold charges against capitalism are at best only translating Marx's critique of capitalism, or some aspect of it, into what Marx himself would have consistently regarded as a false, ideological or mystified form"<sup>57</sup>. As noted above, Marx (partly for linguistic reasons) saw questions of justice as inevitably tied up with questions of rights and "the concept of a person as essentially a being with a sense of justice and who is a bearer of rights is a radically defective concept that

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<sup>53</sup> Marx, 1977, p236

<sup>54</sup> Lukes, 1985, passim

<sup>55</sup> Marx, 1961, p31

<sup>56</sup> Wood, 1972, p245

<sup>57</sup> Wood, 1972, p272

could only arise in a radically defective form of human society"<sup>58</sup>. (But what, then, is the basis for the evaluation "distorted"?). Some claim that Marx is simply rejecting bourgeois concepts of justice and rights, but it seems clear that in fact Marx makes "determined efforts to expunge all talk about justice from the basic vocabulary of social criticism"<sup>59</sup>. Attacking Proudhon and others, Marx categorises talk of social justice as "obsolete verbal rubbish"<sup>60</sup> and Engels, in an article on "a fair day's pay for a fair day's work" says that, seeking an answer to questions of fairness, "we must not apply to the science of morals or of law and equity, nor to any sentimental feeling of humanity, justice or even charity. What is morally fair, what is even fair in law, may be far from being socially fair. Social fairness or unfairness or unfairness is decided by one science alone - the science which deals with the material facts of production and exchange, the science of political economy"<sup>61</sup> (thus taking us back to a system-relative evaluation).

### Conclusion : Marx, "Biblical" Justice and Debt

Perhaps it is in greater conformity with the Marxist view and terminology when Dussel suggests a more limited aim for an ethic of justice, which he says "need not define its imperatives positively in advance ... (but) need only negate the prevailing negation"<sup>62</sup>. Certainly, Kymlicka says that Marx views justice as a "remedial virtue, a response to some flaw in the community that can and will be overcome"<sup>63</sup>, and this seems in line with what was found in the previous chapter (particularly in Lebacqz).

We also found there that Biblically justice is concerned with relationships. In similar vein, Lang says "the social relations that consist in living off one's own work, using the fruits of one's labour and disposing over it oneself - that is just for Marx"<sup>64</sup>, and Gould's attempt to reconstruct Marx's underlying "ontology of justice" focusses crucially on relationships. She says that, for Marx, justice is not abstract principle but concrete social relations, in the reciprocity of "social relations in which agents mutually enhance each other"<sup>65</sup>. That, more than equitable distribution of goods, is the key to justice; it appears to take place in the market, but the underlying

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<sup>58</sup> Buchanan, 1982, p51

<sup>59</sup> Buchanan, 1982, p84

<sup>60</sup> Marx, 1977, p569 (Critique of the Gotha Programme)

<sup>61</sup> Engels, 1967, p98

<sup>62</sup> Dussel, 1988, p107

<sup>63</sup> Kymlicka, 1989, p100

<sup>64</sup> Lang, 1979, p117

<sup>65</sup> Gould, 1978, p171



relationship of dependence involved in the private ownership of the means of production means that the apparent reciprocity is merely instrumental, not treating each agent as an end in herself. The equality that matters is therefore not a matter of distribution of goods but of "an equal right to determine the forms of social organisation and access to the means of production"<sup>66</sup>.

With regard to the starting point of this inquiry into justice (ie credit and debt), Marx has a great deal to say about the role of credit in the genesis and development of capitalism: "with capitalist production an altogether new force comes into play - the credit system - ... (which) soon becomes a new and terrible weapon in the battle of competition and is finally transformed into an enormous social mechanism for the centralisation of capitals"<sup>67</sup>. In the light of all that has been said above, it would be surprising if Marx's concern were not with macro-economic matters in relation to production, rather than matters of distribution and personal debt, and with analysis rather than evaluation. Indeed, one impact of his critique may be to point to setting such matters in their wider context. Detailed analysis of what Marx has to say on these issues is, however, beyond the scope of the present thesis and the economic system he analyses also seems far removed from the credit and consumer society of the 1990s, although what he says about the fetishism of commodities and of money may be strikingly appropriate. Thus he speaks of the way in which under capitalism "a nation becomes the richer the more deeply it is in debt ... (so) public credit becomes the credo of capital and want of faith in the national debt takes the place of blasphemy against the Holy Ghost which may not be forgiven"<sup>68</sup>. He also speaks scathingly of the way in which the national debt becomes "the only part of the so-called national wealth that actually enters into the collective possession of modern peoples"<sup>69</sup>, tracing it as having a crucial part in the misery of the people, and echoing much that is said about Third World debt today.

Rather than talking of the impact of usury upon the proletariat, Marx gives a dispassionate, historical analysis in the *Grundrisse*<sup>70</sup>. He also discusses debt in a historical perspective, in a passage worth quoting in full:

"The class struggles of the ancient world took the form chiefly of a contest between debtors and creditors, which in Rome ended with the ruin of the plebeian debtors. They were replaced by slaves. In the Middle Ages, the contest

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<sup>66</sup> Gould, 1978, p174

<sup>67</sup> Marx, 1954, 1.571

<sup>68</sup> Marx, 1954, 1.706

<sup>69</sup> Marx, 1954, 1.706

<sup>70</sup> See Lallier, 1989, p286



ended with the ruin of the feudal debtors, who lost their political power together with the economic basis on which it was established. Nevertheless, the money relation of debtor and creditor that existed at these two periods reflected only the deeper-lying antagonism between the general economic conditions of existence of the classes in question"<sup>71</sup>.

Thus, although he does not set personal debt in the justice context that is the approach of this thesis, Marx does set it in a wider context in which there are underlying considerations of justice to be found.

Marxism does deny a morality which is the judgment of actions by conformity to a set of a priori, abstract norms; logically it precludes the demand for social justice since that demand has nowhere to come from. (Marx rejects the use of the vision of communist society for this purpose). Yet it is hard to deny that Marx's concept of man in his "species being" does in fact give some content to a view of human nature and therefore an opening to those who would claim that "Marx's moral commitment and ethical outlook ... were in fact the motive force of his life's work"<sup>72</sup>. Ultimately, I agree with Wood that "if Marx chose to call these evils of capitalism not injustices but something else, they still sound to most of us like injustices, and it seems that we should be free to apply this term to them if we like"<sup>73</sup>.

If we choose to do so we would use terms with greater precision and greater understanding of ourselves and our social structure by taking on board much of what Marx has to say against the use of the terminology of social justice. He does not give a programme or definition of justice, but an analysis of eg exploitation and alienation that will inform our justice talk and remind us that talking is not what it is all about.

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<sup>71</sup> Marx, 1954, p135

<sup>72</sup> Zeitlin, 1967, p23

<sup>73</sup> Wood, 1972, p267

## 5. The Assault on Social Justice

### (B) Hayek (The New Right)

More obviously than from the Marxist left, the concept of social justice has been under sustained attack from the right, especially the neo-liberal New Right, for whom Hayek is a key theoretician. Hayek is scathing about the "preachers of morality" (including many "clergy of all Christian denominations") who "while increasingly losing their faith in a supernatural revelation, appear to have sought a refuge and consolation in a new 'social' religion, which substitutes a temporal for a celestial promise of justice"<sup>1</sup>, leading to the dangerous error of making 'society' the "new deity to which we complain and clamour for redress if it does not fulfil the expectations it has created"<sup>2</sup>.

In response, it is tempting to seek to reclaim the moral high ground when Hayek characterises life in the market economy repeatedly as a "game", especially out of concern for the game's losers. Yet, not least because of its considerable influence on British politics over recent years and therefore a sense in which it represents the starting point of current discussion, it is important to ask what Hayek's critique of the "mirage of social justice" has to say to the account of justice developed above.

One way into this, in the form of an examination of the parable of the good Samaritan read from a "Hayekian" perspective is offered in an appendix to this chapter as illustrative of the argument of the chapter. This parable, or at least a popular understanding of it, may be said to be representative of a moral consensus in at least British society (of a kind Hayek denies<sup>3</sup>); further, a large part of the discussion of Hayek's work may be said to centre on the same question as the parable - "who is my neighbour?"<sup>4</sup>. The Biblical narrative<sup>5</sup> is therefore considered section by section, raising the issues that would seem to arise from Hayek's work.

What emerges most clearly from that discussion is a series of conflicts between Hayek's perspective (or its implications) and many of the moral notions we might take for granted not only in Christian terms but indeed in modern secular

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<sup>1</sup> Hayek, 1982 (Vol2), p66

<sup>2</sup> Hayek, 1982 (Vol2), p69

<sup>3</sup> See further below

<sup>4</sup> See eg Forrester, 1990, p11

<sup>5</sup> Luke 10.25-37

society. This should not surprise any student of Hayek, since he repeatedly characterises many accepted ideas as throwbacks to our past (almost a Marxist tendency to relate ideas to the economic base of the society in which they have grown). The particular points of conflict apparent in the discussion are (1) Hayek's rejection of any teleology for society, as incompatible with the pluralism of the Great Society and dangerous to its freedoms (2) his attack on the assumptions of the "do-gooder", with regard to both the efficacy and appropriateness of "the kindness that kills" (3) his distrust of obligations imposed on "society", or on individuals other than by contracts freely entered into. The challenge, then, is to look critically at such moral values as ideas of "justice" to see how much is indeed misplaced nostalgia for the security of Egypt when the "great moral adventure" of the open society leaves us floundering in the wilderness. The church has too often defended yesterday as if it were the kingdom, and must be wary of substituting a "parade of compassion" for morality or justice without a realistic assessment of the benefits or otherwise of our actions<sup>6</sup>.

Despite his disavowal of teleology and religious/metaphysical assumptions, Hayek's work seems to start from the question "what must we do to maintain the Great Society?" (the basic values of which remain largely unquestioned while other values are written off as "near-animal tribal instincts"). Walker notes that "ethical transcendence becomes a little-noticed casualty in Hayek's war against constructivism"<sup>7</sup>, yet finds it easy to restore it just because Hayek already has slipped it in the back door in the new deity called "catallaxy".

Two crucial issues arise from the problems of any attempt at harmonising Hayek and the Christian tradition of which the parable is a paradigm. First, there is the question of relationships in modern society. If we believe that Christian ethics deal with people-in-relationship rather than the atomised individual that is basic to neo-liberal thought, we need to look seriously at what is said about the nature of relationships in the Great Society we live in. Is the instrumental/contractual model the only realistic possibility, or can we safeguard something more communitarian without eliminating personal responsibility? Atherton argues that to stress the importance of (market) mechanisms is to recognise that the collective reality is more than the sum of the individuals involved, and goes on to claim that "relationships are improved by being translated into procedures", citing industrial

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<sup>6</sup> Green, 1990, p29

<sup>7</sup> Hayek, 1978, p68

<sup>8</sup> Walker, 1986, p97

procedural agreements as paradigm<sup>9</sup>, when these may be better seen as indicative of fractured relationships rather than constitutive of good relations. Gray, on the other hand, is clear that markets flourish in an "individualist moral culture"; modifying Hayek's perspective slightly, he considers that "relational goods" or principles can never be what ultimately matters since "what alone matters in political morality (is) the well-being of individuals"<sup>10</sup> (Hayek would substitute the freedom of individuals, as we shall see).

We may well react against a "rational choice to eschew personal ties and commitments", but can "rationality and self-interest work in tandem to reduce the range of moral obligations men owe to other, known men and extend the moral obligations one owes to all human beings by virtue of their abstract status as equal but anonymous contributors to everyone's development"<sup>11</sup>? Could that in fact be the message of the parable, since it does seek to include the Samaritan as "neighbour" on the basis of his role in the story as helper? If "the existence of misfortune morally requires that help be offered", does the form of help become simply "a pragmatic question, depending on which available types of help are most effective"<sup>12</sup>? Does loving one's neighbour demand a response on the basis of need or does the "abstract signal price take the place of the needs of known fellows as the goal" towards which efforts are to be directed<sup>13</sup>? Is it really the case that nobody knows the value of his activities to his fellows "except in so far as the market tells him"<sup>14</sup>? Is "need" too elastic, and therefore exploitable, a concept (like social justice) on which to base anything solid; if not, whose definition of need is to be followed - the state's, the "professionals'", or the needy person's<sup>15</sup>?

The other issue, central to MacIntyre's discussion of justice and discussed above<sup>16</sup>, concerns the basis for any attempt at a Christian social ethic. Are we still attempting to build on the capital of Christendom in an inherited consensus on the goals, as well as the means, of our life together, or are we fooling ourselves in imagining such a consensus as able to survive the impact of secularisation on its foundation<sup>17</sup>? If the consensus has broken down, should we be attempting to rebuild

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<sup>9</sup> Atherton, 1992, p218

<sup>10</sup> Gray, 1992, pp25 & 41

<sup>11</sup> Crowley, 1987, p44

<sup>12</sup> Hoover & Plant, 1989, p216

<sup>13</sup> Hayek, 1978, p61

<sup>14</sup> Hayek, 1982 (Vol2), p77

<sup>15</sup> See CSJ, 1993b, p20

<sup>16</sup> Chapter 4

<sup>17</sup> See Plant in Elliot & Swanson (eds), 1989, p21

it from a Christian base (which may lead to something akin to fundamentalist theocracies such as Iran, or the ideology of the "Christian Right" in the USA), or from a broader, more rationalist base, such as Rawls suggests?

Having raised these questions, we move on to a critical evaluation of Hayek's assault on the concept of social justice and its (ab)use, recalling the question formulated by T S Eliot as a challenge, and answered unashamedly by Hayek :

*"When the stranger says 'what is the meaning of this city ?  
Do you huddle close together because you love each other ?'  
What will you answer ? 'We all dwell together  
To make money from each other' or 'This is a community' ?"*<sup>18</sup>

### Why Markets Work (Knowledge and Intention)

Finding a way into a critical evaluation of Hayek's thought on social justice is a bit like breaking into a circle; in fact, part of the problem of Hayek's analysis is that his arguments are often circular<sup>19</sup>. However, we may take as a starting point what Hughes considers to be Hayek's crucial insight (which earned him the Nobel prize), that markets, when functioning smoothly and unfettered, provide "a decentralised mechanism for co-ordinating the decisions of a large number of economic agents"<sup>20</sup>. Thus we have the picture of an anonymous mechanism (rather than a managing mechanic) which merely co-ordinates (rather than replacing or even, apparently, modifying) the decisions of free individuals (understood as economic agents) with no specified ulterior motive.

Hayek himself states, as the fundamental fact on which his attack on the "mirage" of social justice is based, "the impossibility for anyone of knowing all the particular facts on which the overall order of activities in a Great Society is based"<sup>21</sup>. The "Great" or "Open" Society is one in which pretended knowledge or wisdom is dangerous folly. Thus it is dangerous for planners to assume that, even with sophisticated technological data and tools at their disposal, they can determine conclusively the consequences of particular economic actions. Humility is called for, before the invisible hand of the market which alone can harness the limited, diverse, specialised knowledge of each individual agent, the god who alone knows every detail<sup>22</sup>. Gray rightly sees this "epistemic" argument as fundamental for Hayek. It is not based on the practical difficulties of computing the knowledge, but on the

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<sup>18</sup> Chorus 111 from "The Rock"

<sup>19</sup> See Crowley, 1987, and below

<sup>20</sup> Hughes (and others), 1991, p2

<sup>21</sup> Hayek, 1982 (Vol2), p8

<sup>22</sup> Walker, 1986, p115



inherent nature of the knowledge, which is "irretrievably scattered and cannot be subject to centralisation" but is "made available for general use ... via price signals"<sup>23</sup>. The effectiveness of these signals is undermined by attempts to regulate the market. Indeed, even for individuals to aim at "doing good" rather than acting out of rational self-interest may be counter-productive because of the unpredictability of outcomes (although Hayek weakens his own argument here by failing to apply the same unpredictability of outcomes to actions taken out of self interest).

Clearly, there is an important point here about the limited effectiveness, and unplanned outcomes, of economic planning, especially as the complexities of the market seem to develop as fast as our computerised ability to understand and predict them; there are more than enough examples of failed economic plans, of the 5 year or shorter term variety, to justify much of what Hayek is saying here. However, the limitations of knowledge, and therefore of policy, may not be conclusive of the value of attempts to adjust market mechanisms for specific objectives (of which, more below).

What is more of a problem, however, in this picture of "ignorant men and beneficent markets"<sup>24</sup>, is the (largely unsubstantiated) claim that the price mechanism effectively utilises such diverse knowledge as its actors have. Clearly, in a perfect market, each transaction influences all other later transactions, however infinitesimally; but wonder at the complexity of this should not lead to blind faith in the efficiency with which this occurs when not all market actors have equal influence on the mechanism. We will see again below that a great deal turns on the question of (and definition of) "efficiency".

Before that, however, there are two other questions crucial to Hayek's rejection of "social justice". The first, which closely relates to his assertions on "ignorance", is the question of intention.

For Hayek, the whole concept of social justice is "anthropomorphic"<sup>25</sup>, because it is meaningless to use words like "just" or "unjust" to describe a state of affairs which no-one has intentionally brought about. Poverty, for example, is usually simply the impersonal result of the operation of just rules; unless there is a clear and recent breach of these rules (which, as we have seen, might just about

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<sup>23</sup> Gray, 1992, p7

<sup>24</sup> Crowley, 1987, chapter heading

<sup>25</sup> Barry, 1979, p134



cover the good Samaritan scenario, but not, for example, the inheritance of property acquired by theft generations before), the situation is to be taken as the result of accident, and therefore a "given" of the present state<sup>26</sup> - "the observation of a rule of just conduct will often have unintended consequences which, if they were deliberately brought about, would be regarded as unjust"<sup>27</sup>.

It is, then, inappropriate to attach moral value to market processes (even if Hayek occasionally does it himself!); like asking whose sin caused the man to be born blind. But, as in the Bible story, the crux may lie in the response to the situation; intention, surely, relates to passing by on the other side as clearly as to inflicting injury, yet Hayek is unwilling to prescribe positive rules of justice.

Equally important to this question of intention is the question of foreseeability. It is a well-established legal principle that intention may be imputed where the consequences of action are reasonably foreseeable. Even allowing for what Hayek says on the limitations of knowledge and predictability, it is clear from experience that certain actions will result in deprivation for many people (although specifying which individuals may be impossible). It is this last difficulty that Hayek uses to "escape" from this problem, claiming that "it is only because we cannot predict the actual result of the adaptation of a particular rule that we can assume it to increase everyone's chances equally"<sup>28</sup>. General rules which could be shown to lead to debt problems for a certain proportion of the population are acceptable because not intended to lead any specific individuals into debt.

Hayek applies the same argument to the question of coercion and freedom. Only if freedom is deliberately restricted by someone or some identifiable group can we speak of coercion, or even lack of freedom. A man at the door of the baker's shop barring my way restricts my freedom to buy bread, but neither my poverty nor my rich neighbour who has bought up all the available bread would be seen by Hayek as breaching my freedom. He might make an exception in the case of the bureaucratic state's policy leading to the creation of a "bread mountain", but that, for Hayek, is a different matter; this, in fact, is where his argument breaks down, since he applies the test of foreseeability to the results of attempts to interfere in the market, and even to the advocacy of market solutions, whose positive effectiveness is, for him, foreseeable.

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<sup>26</sup> Hayek, 1982 (Vol2), p131 & p60

<sup>27</sup> Hayek, 1982 (Vol2), p39

<sup>28</sup> Hayek, 1982 (Vol2), p4

### Collective Goals and Efficiency

Talk of policy takes us to the next dangerous area - that of collective goals. We have already seen<sup>29</sup> that, for Hayek, the breakthrough towards the Great Society lies in agreeing to live together on the basis of agreement about means but not about ends. As Barry puts it, Hayek rejects all "end-state" or "patterned" theories<sup>30</sup>; the state cannot justify coercion on the basis of particular ends, except in "special cases" such as war or natural disasters (although it is not clear why these should be allowable exceptions)<sup>31</sup>. Indeed, even to speak about an "agreement" to live together on a certain basis is dubious; society is the "undesigned product of an evolutionary development"<sup>32</sup>, and any attempt to change that will produce all the horrors of totalitarianism. It is not difficult to see where Hayek's horror of "volksgemeinschaft" comes from; but whether this is the inevitable consequence of any attempt to "design" society, or to pursue common goals, is by no means clear.

Hayek says that "we should regard as the most desirable order of society one which we would choose if we knew that our initial position in it would be decided purely by chance"<sup>33</sup>, but it is not clear what this means. How, for example, do we weigh freedom against material prosperity in that equation? And, even in purely material terms, do we assume the cautious approach of Rawls ("maximin"), or confidently gamble on getting a high place in an unequal society, or place ourselves, as Hayek assumes, at the average or median point? Such attempts to eliminate human choices or shared values in the name of rationalism seem unrealistic.

Hayek's formulation also seems to beg the question of efficiency. He assumes the productive superiority of free-market capitalism, and it may be the pragmatic attack on the effects of policies aimed at social justice that is more important to his case than his philosophical arguments against the mirage<sup>34</sup>. In fact, he says it is only by ignoring conceptions of merit or need that the market produces a "more efficient allocation of resources than any design could achieve"<sup>35</sup>, defining efficiency or "the purpose of the game" in terms of making the best use of available skills<sup>36</sup>. Hayek proclaims the "brilliant" success of the Great Society in "abolishing

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<sup>29</sup> In the Appendix on the Good Samaritan

<sup>30</sup> Barry, 1979, p125

<sup>31</sup> Hayek, 1982 (Vol2), p144

<sup>32</sup> Butler, 1983, p87

<sup>33</sup> Hayek, 1982 (Vol2), p132

<sup>34</sup> Barry, 1979, p140

<sup>35</sup> Hayek, 1978, p63/4

<sup>36</sup> Hayek, 1978, p64

poverty in the absolute sense"<sup>37</sup>, and it often seems that the value of the Great Society is seen in its (material) fruits - both their quantity and quality, though not their distribution. Thus Lord Harris has spoken of the "evidence of history that the market is the most lavish distributor of good things"<sup>38</sup>, an argument depending partly on the current absence of alternatives (rendering other solutions literally utopian) and partly on a Northern perspective ignoring the market's tendency to suck many of the "good things" from poorer countries. Substantial recent research also suggests that, even in an absolute (as well as a relative) sense, the last fifteen years of the UK market have left the poorest worse off<sup>39</sup>.

Hayek eschews the argument that markets reward the deserving<sup>40</sup>, but proclaims the value of their greater efficiency, which is self-evident, not least because the process of evolution ensures that the most efficient are the ones that survive. Thus, he argues "the ultimate decision about what is good or bad will be made not by individual human wisdom but by the decline of the groups that have adhered to the 'wrong' beliefs"<sup>41</sup>. The argument, here, is circular - what is sound succeeds, and what succeeds is sound<sup>42</sup> - and also sits very uneasily with his defence of liberty. There may well also be an assumption that the efficiency of market society is to be found in that goods go to those who want them most, but when that is reduced to those who are willing to pay most for them it carries an implication that each amount of money is worth the same to each agent<sup>43</sup> (cf the widow's mite).

Dictionary definitions of efficiency speak of an ability to do what is required, about effectiveness in achieving objectives. The crucial underlying difficulty with Hayek's analysis is that it is logically inconsistent with a society which has no collective goals - no sense of "what is required" or of "objectives", unless these are arrived at by the market's co-ordinating mechanism (in which case the argument is again circular).

If efficiency is concerned with achieving goals, can we speak of efficiency in the pursuit of justice, rather than efficiency and (distributional) justice as alternative goals? The latter approach leaves us arguing about the relative merits of increasing the size of the cake or redistributing the existing cake. Butler, for example, arguing

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<sup>37</sup> Hayek, 1982 (Vol2), p139

<sup>38</sup> Harris etc, 1985, p5

<sup>39</sup> See Rowntree, 1995, Vol1, p6f and passim

<sup>40</sup> Hayek, 1982 (Vol2), p74

<sup>41</sup> Cited in Paul, 1988, p235

<sup>42</sup> Crowley, 1987, p280

<sup>43</sup> See Campbell in Hughes (and others), 1991, p19,23

that the primary aim is to increase the size of the cake, derides the notion that there is an "income pie to be distributed and that the process of producing that pie can continue unabated until the next distribution"<sup>44</sup>. This not only reflects the key idea that there is no "distributor" to be blamed for an "unjust" result, but also joins Marx in believing that production and distribution cannot be separated. Thus, Hoover and Plant plead for the left to continue to see the centrality of production to distribution, and not assume that the problem of production has been finally solved, leaving only matters of distribution to be decided<sup>45</sup>.

There may still be decisions to be made between maximising the product and "just" distribution, but it is important to remember that we are not dealing with separate systems of production and distribution. While there is an apparent left/right agreement here about their inseparability, it should be noted that, where production is basic for Marx, it is (on the face of it at least) the distribution system ("the market") that is central to Hayek. Hayek's model of the market, however, assumes a capitalist mode of production sensitive to the market and not to other pressures or constraints.

However, there may be no necessary trade-off between justice and efficiency. Atherton, writing from a Christian perspective, rightly says "to choose an alternative system because it is morally preferable but much less efficient is quite likely to produce more disturbing consequences for human living"<sup>46</sup>, but the contrast may not be inescapable. Justice without "efficiency" may indeed be a "moral lame duck" (particularly if he means justice that is ineffective), but the language of efficiency is capable of concealing even more sectional interests than that of justice. "Wealth creation within a market economy bounded by a concern for justice"<sup>47</sup> may, as Griffiths argues, be possible; indeed there may be a substantial economic as well as social, cost of inequality<sup>48</sup>.

Several commentators, including Hayek himself, note that the evolution of capitalism in various ways sows the seeds of its own destruction. Moore notes that, while economists may proclaim competition as the best way of securing efficient use of resources, businesses continually seek to undermine or avoid competition, and seek co-operation rather than competition within the firm. For Hayek, it is the

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<sup>44</sup> Butler, 1983, p97

<sup>45</sup> Hoover & Plant, 1989, p218

<sup>46</sup> Atherton, 1992, p197

<sup>47</sup> Griffiths, 1984, p117

<sup>48</sup> This is the central argument running through Glyn & Miliband (eds) 1994

evolution of large industrial organisations, insulating their workers from the immediacy of market forces, that give rise to the demand for "just wages" etc; thus, Barry notes, "as the market evolves it creates a moral order antithetical to its further evolution in a spontaneous manner"<sup>49</sup>. A contradiction, then, appears in Hayek's view of spontaneous evolution, as the process begins to negate itself; if the market was not producing a powerful demand for something that could conveniently be labelled "social justice", there would be no need for Hayek's attempt to stop the "witch-hunt".

### What is Social Justice ?

This takes us to the next major plank of Hayek's case: there is, he says, no real, agreed content for the concept of social justice. At the start of his lecture on "the atavism of social justice"<sup>50</sup>, he claims to have spent a decade seeking unsuccessfully the meaning of the term, ending in the conclusion that "with reference to a society of free men, the phrase has no meaning whatever"<sup>51</sup>. There are two points here - (a) that the vagueness of the term leads to meaninglessness, and (b) that to give it any real meaning demands a move away from the Open Society.

The variety of usage of "social justice" as slogan cannot be disputed (and has already been noted in chapter four, drawing on MacIntyre's work). As Butler notes, it is used to represent (a) envy (b) nostalgia for the small community of common purpose and (c) camouflage for the interests of some group<sup>52</sup>; even folk of goodwill, seeking to avoid any of the above, will still have a wide range of views as to what is just - an inevitable fact of life in a pluralist society. Does this mean that the concept has lost any power to transcend, to exert a demand, rather than simply provide a specious justification, cloaking competing claims? If so, why does the concept have sufficient power to worry Hayek and others? Hayek's comparison with belief in witches would suggest that social justice need have no reality for the search for it to be as destructive as a witch-hunt; the analogy, however, doesn't quite hold. Witch-hunts are simply an esoteric aberration unless belief in witches has some hold on people; that does not take us to the Peter Pan idea that if enough people believe in fairies then fairies exist, but it does mean that belief in "social justice" (however vaguely understood) is important to people - sufficiently important in the UK of the 1990s for the Labour Party to establish a Commission on Social Justice. If politicians and others find it useful to put their case in terms of social justice, and to

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<sup>49</sup> Barry, 1979, p143

<sup>50</sup> Hayek, 1978, p57ff

<sup>51</sup> Hayek, 1978, p57

<sup>52</sup> Butler, 1983, p103



debate whether or not a given policy would be socially just, then the term must have some force and enough of a core meaning to be usefully understood.

Of course, a great deal of the discourse does indeed consist of intuitive reactions and assessments, not coherently formulated<sup>53</sup>; and there are almost as many competing (and conflicting) theories of social justice as there are people willing to write on the subject. In a society lacking "first order moral agreement"<sup>54</sup> it will be difficult, if not impossible to achieve a widely accepted coherent account. Even if that can be achieved, however, Hayek would see a credible demand for social justice as even more dangerous. Its advocates are not simply deluded, but pose a grave threat to "most other values of a free civilisation"<sup>55</sup>; theirs is not an "innocent expression of goodwill" but a "dishonest insinuation" which is destructive of moral feeling and personal responsibility<sup>56</sup>.

At one level, this is because he sees such claims as inevitably exclusive of "outsiders" (back to the good Samaritan), which may be often true, but not inevitably so. At a deeper level, the demand for social justice, while presented in moderate terms, will inevitably lead to a radical change, from spontaneous to directed society, from *cosmos* to *taxis*, if such demands are to be satisfied. As we have noted, Marx would agree that a revolutionary change would be needed, not so much (in his terms) to give the concept meaning as to achieve the reality of what is sought. For Hayek, striving for this unattainable goal will produce highly undesirable consequences in terms of personal freedom and the moral environment. A government which attempts to achieve social justice cannot but be acting in an arbitrary way, not "playing the game", and infringing seriously personal freedom. To evaluate this requires consideration of Hayek's understandings of justice and of freedom.

Justice and rules are vital to the Great Society, to preserve its basis in Hume's trinity of stability of possession, transference by consent and performance of promises<sup>57</sup>. Rules of just conduct deal, therefore, with transactions rather than their results - a procedural understanding of justice<sup>58</sup>. Despite agreeing that, in the absence of any absolute system of morals, there are no positive criteria of justice,

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<sup>53</sup> So Hayek, 1978, p58

<sup>54</sup> Plant, in Elliot & Swanson (eds), 1989., p19

<sup>55</sup> Hayek, 1982 (Vol2), p66/7

<sup>56</sup> Hayek, 1982 (Vol2), p97

<sup>57</sup> Cited by Hayek, 1982 (Vol2), p40

<sup>58</sup> Crowley, 1987, p50



Hayek decisively rejects the legal positivist position, seen as an excuse for arbitrary exercise of power. In what seems a distinctively common law understanding, he sees justice as determining law (rather than the reverse), and solutions as discovered, not decreed, by judges who reflect the consensus that has emerged within the system<sup>59</sup>. There is, then, a negative test, of conformity with the system; thus "all valid criticism or improvement of rules of conduct must proceed within a given system of such rules"<sup>60</sup>, otherwise it is utopian (a problem Marx also faces, as we have seen). Machan argues that this is not as static a concept as might seem, since new rights can emerge as the system evolves by resolving its own internal contradictions<sup>61</sup>.

Hayek, then, clearly belongs within the classic liberal tradition which confines justice to "the impartial application of abstract rules involving no more than equality before the law, the enforcement of the rules of contract, tort and property, and the maintenance of a system of criminal law"<sup>62</sup>. Thus, contracts or voluntary agreements are fundamental to his understanding of justice and of society; they represent "an ultimate ideal for social interaction"<sup>63</sup>. Justice, then, means fulfilling contracts; debts must be paid, regardless of any circumstances other than the proper making of the original contract. Barry sees this move from justice as reciprocity (which he describes as a "cultural universal") to justice as the performance of contracts as an easy and tempting one, but one which unduly narrows the meaning of justice, leaving us without a concept to evaluate distributions<sup>64</sup>. Certainly there is a long Christian tradition which would stress that a procedural concept of justice is not sufficient<sup>65</sup>.

Basic to Hayek's understanding of justice is the principle of universalisability - rules applicable to all, in rational relationship to each other, and justice that is blind. Intervention to redistribute in the name of rectifying justice would be a breach of this principle; "though it might seem reasonable so to frame laws that they will tend more strongly to improve the opportunities of those whose chances are relatively small, this can rarely be achieved by generic rules"<sup>66</sup>.

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<sup>59</sup> See Machan, 1985, p202 etc

<sup>60</sup> Hayek, 1982 (Vol2), p24

<sup>61</sup> Machan, 1985, p105

<sup>62</sup> Barry, in Plant & Barry, 1990, p73/4

<sup>63</sup> Sterba, in Sterba (ed), 1980, p173

<sup>64</sup> Barry, 1991, p214 & 235

<sup>65</sup> As noted in chapter four above

<sup>66</sup> Hayek, 1982 (Vol2), p131

Yet, it is not clear that generic rules are incapable of building social justice; universal child benefit is widely reckoned to be one of the most effective means of combating poverty. Further, the question of "rules applicable to all" seems to beg a few questions. For example, would a "no dogs except guide dogs" rule be acceptable on Hayek's criteria? And, if defined exceptions are allowed, would the legal structure of apartheid be acceptable as "just"? The principle is superficially attractive, but not as credible as the basis for justice as might appear. Machan suggests that a Kantian "respect for persons" underlies Hayek's insistence on rules applicable to all, but if such "respect" refuses to deal with the realities of human need it lacks credibility<sup>67</sup>. Indeed, there is a fundamental conflict between an anonymous rule-based understanding of justice and a personalist view which starts from the real outcomes of market and other mechanisms on people's lives<sup>68</sup>; "whereas (Hayek's) justice concentrates on rules, social justice concentrates on people"<sup>69</sup>. If, as Machan suggests, Hayek believes that if you take care of the rules people can take care of themselves, this scarcely accounts for the casualties of the market.

#### Hayek's Core Value - Freedom

In the absence of a consensus about principles of social justice (such as might sustain the "no dogs except guide dogs" rule while rejecting the apartheid rules which are in similar form), there is a real danger in the exercise of what therefore appears as arbitrary power by government, and it is this, treating people differently, that Hayek sees as a threat to freedom. The Magnificat, therefore, is far from noble in its picture of a God who fills the hungry with good things while the rich are sent empty away.

Hayek goes so far as to say that "freedom (in the sense of being allowed to act on the basis of one's own moral beliefs) is inseparable from rewards which often have no connection with merit and are therefore felt to be unjust"<sup>70</sup>. The problem may be traced back to Roosevelt's "four freedoms" which squeezed questions of need into the assertion of personal autonomy, opening the door for the advocates of social justice to undermine freedom while claiming to defend its reality. Thus Hoover and Plant argue that "there are certain goods which are so necessary for

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<sup>67</sup> Machan, 1985, p268-76

<sup>68</sup> See eg Hughes (and others), 1991, p33

<sup>69</sup> Machan, 1985, p227

<sup>70</sup> Hayek, 1982 (Vol2), p120

individual agency and action that they should be provided for collectively and intentionally rather than through the market"<sup>71</sup>; this leads to a presumption for equal distribution, in the absence of any reason why not. This link between freedom and resources reflects a sense that empowerment should be seen as a dimension of any realistic understanding of freedom (though one which, as already noted, Hayek would not share, arguing from his negative understanding of freedom as absence of coercion). The problem lies in reaching agreement on what are these basic human needs, when the concept has proved elastic. Hayek's argument here, that once started on needs there is no stopping the expansion of the concept, is a powerful one, though somewhat undermined by his own allowance of a minimal welfare state to deal with absolute deprivation.

On a more philosophical level, Hayek argues that freedom "means that in some measure we entrust our fate to forces which we do not control"<sup>72</sup> (almost self-abandonment to the divine providence of the invisible hand), rather than mastery of our own fate. We are left, then, with a freedom that is to be found in the absence of intentional coercion but has little to do with achieving outcomes or with real opportunities. Market-induced poverty (if it is legitimate even to speak in those terms) is not to be seen as a limitation of freedom<sup>73</sup>, and the position of someone in a poorly-paid, unpleasant job could only be reckoned unjust if someone assigned him that job rather than his "choosing" it in the freedom of the market<sup>74</sup>. Behind this, there is an unrealistic assumption about ease of entry to and exit from markets which denies the constraints (and pain) which are part of that in any known, real market situation. An understanding of freedom which fails to include this dimension of participation would seem to lack realism; to say that "the market benefit benefits all participants but not everyone chooses to be a participant"<sup>75</sup> is to ignore what it means not to participate.

Choice is an essential ingredient of this understanding of freedom; what the market provides is precisely freedom of choice, and Schluter and Lee rightly see a fundamental conflict between this individualist understanding of choice as a supreme value and a relational understanding with a wider sense of obligation<sup>76</sup>. Although they recognise that there are circumstances in which choice can "rectify

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<sup>71</sup> Hoover & Plant, 1989, p210

<sup>72</sup> Hayek, 1982 (Vol2), p30

<sup>73</sup> Elliot & Swanson (eds), 1989, p10

<sup>74</sup> Butler, 1983, p100

<sup>75</sup> Block, in Berger, 1990, p169

<sup>76</sup> Schluter & Lee, 1993, p168/9

structural injustices otherwise would keep people tied into bleak and unworkable relationships"<sup>77</sup>, they also see the destructive potential of this possessive individualism on relationships. The language of choice, especially if it represents only freedom from legal constraints, also seems of limited realistic relevance to the debtors discussed in chapter one; many of those interviewed in chapter two felt they had no real choices.

More convincingly, Hayek argues that freedom is the necessary basis of moral values, and that dependency (such as is induced by the demand for social justice) is the enemy of responsible moral decision-making. We have noted above how this can be brought to a pragmatic level in providing the rationale for "passing by on the other side" by assigning responsibility to "society"; it is also the basis for Social Fund and Student loans replacing grants. Again, there is an underlying individualist assumption in this. While Christians may be attracted by Walker's derivation of this concept of freedom from a Christian "freehold on one's soul", Hayek may have a better grasp of the communal/social dimension of Christian moral thinking when he sees Christianity as a threat to such values as private property<sup>78</sup>. For all that the jubilee sought to liberate people from dependency, the individualism of Hayekian freedom still rests uneasily with the Biblical view of justice outlined in chapter four above.

Ultimately, Hayek's only argument to justify freedom as supreme value is a circular one in terms of utility or efficiency; freedom is efficient, and what is efficient is what produces the most freedom<sup>79</sup>. No justification is offered for removing freedom from his analysis of moral relativism in relation to other concepts, nor any basis for assuming a consensus about freedom that is absent in relation to other values. There is, here, a concealed choice of freedom over welfare, the superior value of freedom being taken, generally, as self-evident. The concealment of the option between freedom and welfare is symptomatic of Hayek's denial of political choice - "in a society of omniscient persons, there would be no room for a conception of justice", he says, since omniscience would include knowledge of the relative importance of the (known) effects of one's actions<sup>80</sup>. Thus, evolutionary rationalism takes the place of political choice.

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<sup>77</sup> Schluter & Lee, 1993, p43

<sup>78</sup> See Walker, 1986, p111 & 120

<sup>79</sup> See Crowley, 1987, p280

<sup>80</sup> Hayek, 1982 (Vol2), p39

If the two great enemies of politics are "indifference to suffering and the quest for certainty in matters which are essentially political"<sup>81</sup>, one can find both in Hayek. Although he does allow for some security against deprivation (without defining how this is possible without opening the door wide to disaster), he considers (as noted above) that absolute poverty has been brilliantly abolished in the Great Society (falling at least into what he himself sees as the tribal trap of excluding from consideration "outsiders"). When he says that inequality of result does not make a transaction unjust he is using a stipulative definition of justice to avoid dealing with poverty; when he speaks of not allowing known and concentrated harm to count against diffused benefits to many<sup>82</sup> he has to suspend his own strictures on ignorance of effects to justify inflicting harm; when he describes those who have to learn by bitter experience that they have misdirected their efforts he seems to pass by on the other side of unemployment, which disappears into the efficiency with which the market uses available skills.

The justification for this apparent indifference to poverty is in terms of the threat which measures to eliminate (or even alleviate) poverty will pose to the Great Society. Yet, despite Atherton's attempt to win Christians away from an "undue concentration on poverty"<sup>83</sup>, there is a clear conflict between this approach and the understanding of poverty as injustice which was crucial to the Christian concept of justice developed above<sup>84</sup>. For that latter concept, justice demands more than that "debts should be paid"; it demands that the economic and social, as well as legal, circumstances in which the debt was incurred be considered, and indeed that the poverty of which debt may be symptomatic be the urgent starting point of concern and action. Hayek's strictures here may be usefully taken as warning of the unintended consequences of such interventions in the market, without ultimately undermining the need for something to be done.

### "Catallaxy"

Hayek describes the network of exchange mechanisms (markets or economies)<sup>85</sup> as a "catallaxy", from the Greek (New Testament) term *katallassein* (to reconcile). Only the openness of this "catallaxy" can admit "outsiders" into the "community" and change them from enemies into "friends" (or at least fellow

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<sup>81</sup> Crowley, 1987, p280

<sup>82</sup> Hayek, 1982 (Vol2), p122

<sup>83</sup> Atherton, 1992, p284

<sup>84</sup> Chapter 4

<sup>85</sup> Hayek, 1982 (Vol2), p108



players in the market). Thus Kennedy argues that while the market may not have saved our souls it might claim "to have replaced conflict with competition, and a wide degree of co-operation"<sup>86</sup>; the interests of producers and of consumers are "reconciled" by price signals. But this seems a long way from the New Testament roots of the term. Although Shriver has shown how the urgencies of getting on with the business of making money have contributed to reconciliation between Eastern Europe and the USA<sup>87</sup>, the willingness of the desperate to contract for interest rates of, say, 500% in order to clothe their children hardly constitutes "reconciliation" with the loan-shark (though it may reflect the necessities of a temporary partnership).

To participate in the catallaxy is to play a game - according to the dictionary definition, combining skill and chance - which is defined by the rules. Unless someone is cheating, there is no need to justify the result of the game, since it is just that, the outcome of a game that is played because it increases the chances of all. For Hayek, there is no middle way between this game played in the Great Society, and the designed and directed life of totalitarian society (despite the fact that, in the West, we have lived between these two extremes for all of this century at least, with a shifting balance). The virtues of "playing the game" may be appealing and sufficient when the game is played by those who wish to play it, and when the outcome is not a matter of life or death; but players in the market have no realistic alternative, and it is only by closing one's eyes to those who suffer after falling down a snake that the view from the top of the ladder seems exhilarating.

As Crowley points out, for Hayek, "the Great Society ... is the only one in which man's selfish, utility-maximising nature can become rational, responsible and morally fulfilled"<sup>88</sup>, not by conversion but by the market's ability to translate our pursuit of gain into doing good. Thus he follows Adam Smith in arguing that we look to the rational self-interest of the baker, rather than his beneficence, for our daily bread. This Great Society is peopled by individuals and is "in fact irreconcilable with 'solidarity' in the true sense of unitedness in the pursuit of known common goals"<sup>89</sup>. The market works to harmonise individual interests with the general good, but group interests are almost inevitably contrary to the general good. Yet (as seen above) the spontaneous evolution of the market seems to foster the

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<sup>86</sup> Kennedy, in Davies (ed), 1993, p90

<sup>87</sup> Shriver, 1995, p220

<sup>88</sup> Crowley, 1987, p45

<sup>89</sup> Hayek, 1982 (Vol2), p111



growth of groups playing together, and it is hard to see why the market mechanism cannot logically handle that with the same efficiency as it handles individual players with their own objectives.

### Economics and Morality

This language of reconciliation and of playing the game is, perhaps deliberately, provocative to Christians who would want to take both reconciliation and economic life with more moral seriousness than Hayek's use of these terms seems to imply. Behind Hayek's philosophy lies what Walker describes as an uneasy mixture of agnosticism and respect for traditional moral values<sup>90</sup>. He shows great respect for a cultural heritage which he sees as creating a moral consensus on matters of personal morality, basic to the system of just rules, a consensus which may be breaking down as much as any consensus on public morality, whence the need for its defence. The problem for Hayek's case is that the operation of the market itself evokes consumer values that may, in the long run, be hostile to the traditional values he wants to cherish.

However, even Walker, in his attempt at a Christian "rehabilitation" of Hayek<sup>91</sup>, has to admit that "those whose moral thinking and sentiment have been formed in any significant measure by Christian moral tradition will ... tend to find little common ground with Hayek"<sup>92</sup>. Noting how uncomfortably an ethic of love and servanthood sits with the neo-liberal vision (and that Christians cannot be content with the Hayekian word of comfort quoted in the appendix - "he does most good who pursues gain"), Walker nevertheless claims that "the disjunction Hayek introduces between the market order and Judaeo-Christian moral tradition is intellectually unnecessary"<sup>93</sup>. To substantiate this, he invites Christians to see in the "invisible hand" of the market the hand of the God who in all things works together with his people for good. Indeed, "the spontaneous mechanisms of the market may be a mercy of God, a mechanism providentially suited to man's imperfect nature"<sup>94</sup>, dealing (as socialism fails to do) with human sinfulness by accepting it and integrating it ("corralling" it with incentives). Thus market mechanisms become the new deity of Hayek's thought. Santa Anna speaks of the effect of this as the

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<sup>90</sup> Walker, 1986, p63

<sup>91</sup> Walker, 1986, passim, esp postscript

<sup>92</sup> Walker, 1986, p102

<sup>93</sup> Walker, 1986, p102

<sup>94</sup> Walker, 1986, p110

"sociological sacralisation" of the "laws" of the market<sup>95</sup>, and Assmann points to the deification of the market as economic thought's attempt to "retranslate the essence of Christianity"<sup>96</sup>, close to idolatry. Preston therefore seeks to steer a middle way between the market as God and the market as Satan, arguing for a demystification which would remove it from the structures of heaven and hell; markets, like other economic constructs, need to be taken "seriously, but not too seriously"<sup>97</sup>, reckoned with but not worshipped.

Although he finds Hayek's theory of the market as spontaneous order without overall purpose "unacceptable to Christian opinion, contradicting as it does Christian beliefs in creation, providence, stewardship and human relationships"<sup>98</sup>, Atherton wants to defend the autonomy of economics, and therefore the market. Just as Christianity was foolish in failing to recognise the autonomy of science and its truth in the battles against Galileo etc, so the church is foolish in seeking to assert authority over against the laws of economics which are as incontrovertible as the law of gravity. Thus he rejects the "pre-modern" view of such as the World Council of Churches that economics (and other disciplines) are ultimately "subordinate to God's will"<sup>99</sup>, a view reflecting the "embedded" economy of Biblical times. Economics, however, does not describe a separate part of reality; it always works in a particular (political, legal, cultural) context, and is itself a legal and political construct rather than a spontaneous order<sup>100</sup>. Clearly, the market is part of reality with which Christians have to engage (seriously and with adequate understanding of economics), but it surely cannot be hidden beyond theological or ethical critique in a defence of its "autonomy" which fails to distinguish description of how markets work from evaluation of the effects of their working. That critique must surely also seek to limit the tendency of the market to encompass every area of life in its language and ideological grasp.

We may see the result of Hayekian policies in the UK of the 1980s as reversing the embedding of ancient times - "where market transactions used to be embedded in a wider web of social relationships, nowadays our social relationships are becoming embedded in, and often conditional upon, the pervasive relationships

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<sup>95</sup> In WCC (CCPD), 1992, p20

<sup>96</sup> Assmann, 1990, p55

<sup>97</sup> Preston, 1991, pp15 & 19

<sup>98</sup> Atherton, 1992, p93

<sup>99</sup> WCC, 1992, p9

<sup>100</sup> See Gray, 1992, p29

and relative forces of the market"<sup>101</sup>. At least one economist wishes to see this process reversed, believing that further progress is only possible "if the economic rationality of market procedures is firmly embedded in a complex system of social, non-market regulation of money and nature"<sup>102</sup>, and the Commission on Social Justice firmly reject the idea of "the economy as an autonomous and self-regulating sphere that pays for necessary but burdensome social expenditure ... there cannot be a healthy economy in a sickly society"<sup>103</sup>. Theologically, the sovereignty of God would appear to leave us with no alternative, so long as that sovereignty is not confused with the sovereignty of the church. When Sedgwick argues that "the dynamics of enterprise and wealth-creation mirror the nature of God", he is doing more than making theological comments on cultural change or "rediscovering the dynamic of society under the creative energy of God in Christ"<sup>104</sup>; like Walker's, his is a legitimising theology (in which the disavowal of value-judgments simply serves to conceal them) rather than a genuinely contextual one.

Although the argument of this chapter has been a critique of Hayek's analysis from a Christian perspective, those Christians who wish to continue to speak of social justice have to take heed of much of what Hayek says (a) in sharpening the precision of our thinking (b) in realising that attempts to adjust the effects of the market have effects throughout the network (c) in learning to reckon with, or even harness, market forces and (d) in accepting the limitations of our knowledge of the effects of policy. In concluding, the challenge of this is explored by returning to the context of debt.

### Concluding Comments - Hayek and Debt

While Hayek has little specific to say about debt, the freeing-up of the credit market described above<sup>105</sup> has been one aspect of a series of policies derived from his thinking, and much of the debate noted there is reflected in the theoretical discussion here. For example, the two very different understandings of freedom and justice found here in Hayek and Marx lead to very different policies with regard to credit and debt. The Hayekian perspective leads to a "free" credit market unrestricted by legal constraints but little concern for pragmatic or economic inhibitions on participation; if "the poor pay more", that is because the market

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<sup>101</sup> WCC, 1992, p35

<sup>102</sup> Altvater, 1993, p260

<sup>103</sup> CSJ, 1993b, p13

<sup>104</sup> Sedgwick, 1992, p179

<sup>105</sup> Chapter 1

allocates resources to those who will make best use of them, and poverty will not be seen as an excuse for evading payment of debts. Although sceptical of appeals to justice, Marxism will be more inclined to analyse the exploitation within the legal rules of the system, and more interested in economic restrictions on freedom. Both would be hostile to an approach which seemed paternalistic, and both would see issues of debt as matters of distribution, and of secondary concern; neither would therefore expect to achieve "social justice" by tinkering with the way the law deals with debt.

Altvater recognises Third World debt as the clearest symptom of the failure of the market<sup>106</sup>, indicative of a failure to deliver what is claimed, and of structural injustice. But it is when the issues regarding repayment are considered that the contrast between Hayek's limited, contractual sense of justice and the wider view advocated in chapter four above is clear. Under what he sees as the perverted notion of justice (which would include Hayek's), Assmann recognises that it is "just" to pay in full, and "unjust" to remit the debt<sup>107</sup>; no further questions can be asked beyond whether the original agreement was legally entered into, and outcomes, in terms of the lives of those affected, are irrelevant.

While the conflict here is clear, in other areas the issues are more subtle. Galbraith and other economists have argued that credit "allows the person with energy and no money to participate in the economy more or less on a par with the person who has capital of his own", as well as allowing money to be allocated to those who will use it most efficiently<sup>108</sup>. Efficiency (in Hayek's sense) and the wider sense of justice as including participation and empowerment (to which he is opposed) would seem to arrive at the same conclusion in favour of a free credit market. However, as has been noted in chapter one, it is by no means clear that the freed-up credit market actually functions in this enabling way.

Debt may be seen as crucial to the market economy; in a sense, it is the essence of capitalism. Thus Schluter and Lee argue that "it is paradoxical that, in a system where so much has been invested to remove the stigma from borrowing, the inability to service debts remains an acute form of social disgrace" and the debtor seen as "a flawed consumer stripped of rank for incompetence with cash"<sup>109</sup>. Just as Marx's *homo faber* is undermined by unemployment, so Hayek's consumer / market

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<sup>106</sup> Altvater, 1993, p126

<sup>107</sup> Assmann, 1990, p59

<sup>108</sup> Galbraith, 1975, p79f; see also Schluter & Lee, 1993, p198/9

<sup>109</sup> Schluter & Lee, 1993, p165

participant is disabled by debt; a more developed understanding of justice than Hayek's is needed to deal with the issues here.

In a related way, advocates of the New Right see loans as the prime, market method for helping the poor. Charity encourages dependency; state provision concentrates power and so leads to injustice<sup>110</sup>. Both erode the crucial sense of personal responsibility, whereas loans leave that intact and keep the recipient as a player in the market game. As with international debt, however, this scenario cannot cope when repayment becomes impossible. In fact, as Altvater argues, it is not orderly repayment but recurrent debt crises that are historically the norm<sup>111</sup>, and writing off is an everyday fact of life, though one which more often takes the form of a "subsidy to the contented" (Galbraith's description of American bailing out of Savings and Loan Companies)<sup>112</sup> than a genuine attempt towards "justice".

This brief, particular, contextualising of Hayek's thought on justice suggests that a concept of social justice not only survives his critique but is a necessary tool for dealing with the problems of the market economy he so wholeheartedly praises. Clearly Hayek is right to challenge an illusion of moral agreement behind a smokescreen called "social justice". But that is not to deny the possibility of action or the value of dialogue on the subject. To achieve a Christian contribution to this we need to avoid all false gods - whether markets or societies - and make room for the transcendent God of justice, as a challenge to pluralist, consumer society rather than the harbinger of a new theocracy.

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<sup>110</sup> Novak, in Berger (ed), 1990, p37

<sup>111</sup> Altvater, 1993, p125/6

<sup>112</sup> Galbraith, 1992, p48/9 and elsewhere

**5B - Appendix**  
**An Examination of the Parable of the Good Samaritan**  
**from a Hayekian Perspective**

**The Question(s) - Luke 10.25-29**

Immediately (v25) we are involved in what Hayek would characterise as a dangerously teleological issue, which might lead to a fruitless search for agreement in society about the purpose of life together, and to "end-dependent" rules which will undermine the Great Society. The "Great" (or "Open") Society is a "cosmos" sustained by "end-independent" rules, rather than an ordered (totalitarian) society ("taxis"). Thus, on the one hand, Hayek rejects the coercive implications that he sees as necessarily bound up with the attempt to forge agreement on the ends of life together. On the other hand, his belief in the "existence of a widespread opinion on the principles of just conduct, but the impossibility of agreement on the ends at which just conduct should aim"<sup>1</sup>, underpins his entire political and legal theory. (The lawyer in the story assumes agreement on ends while his question arises from doubt as to the "principles of just conduct", or at least their precise implications). However, the question may be allowed in this case, since it is, apparently, purely personal - not "what must we do ?" but "what must I do ?" - and therefore compatible with the pluralistic society that Hayek cherishes, so long as there is no attempt (such as the "Law") to make the answer normative.

The initial answer which the lawyer himself gives, from the Law, is, however, inappropriate to the Great Society, which has outgrown "such feelings as love which constituted the highest virtue in the small group"<sup>2</sup>. Love, Hayek continues, "is a sentiment which only the concrete evokes, and the Great Society has become possible through the individual's efforts being guided not by the aim of helping particular other persons, but the confinement of the pursuit of their common purposes by abstract rules"<sup>3</sup>. Love, for both Jesus and the lawyer, is not a sentiment, and is evoked primarily by God (whom Hayek would certainly not include within the concrete).

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<sup>1</sup> Crowley, 1987, p85

<sup>2</sup> Hayek, 1982 (Vol2), p150

<sup>3</sup> Hayek, 1982 (Vol2), p150



However, this brings us to a key point. The fundamental question - "who is my neighbour?" - shows clearly that this whole story deals with a transitional period, in Hayek's terms, between "tribal face-to-face society" and the emergence of the Great Society. Hayek sees the tribal phase as that of the great codifications of ethics in the major monotheistic religions<sup>4</sup>, and this clearly fits with the developed "social security" system of the Law, typical of an "embedded" economy. We might well claim that that system was not as hostile to the "alien" as Hayek claims such systems inevitably were, but the emergence of the lawyer's question may be seen as a clear sign that the problem of the "outsider" was a real and growing one, made more urgent by increased mobility.

It may well be that Hayek has this parable and its grip on our thinking in mind when he complains that our verbal tradition is still dominated by duty to neighbours; but he sees "neighbour" as identified with the fellow-member of the tribe, and implying hostility to strangers<sup>5</sup>. For Hayek, the extension of rules of just conduct to all (as the Great Society emerges) means a lessening of obligation to "neighbours"<sup>6</sup>; so we may see behind the question the problems and indeed impending collapse of a neighbour-based ethic, and Jesus' attempt to rehabilitate it for a changed society. In a recent lecture in Edinburgh, Jenkins has drawn attention to the impact of the scale and complexity of modern market societies which, despite the high technology of communication media, actually inhibit effective communicating, meaning that "the values of moral face-to-faceness" cannot any longer be applicable<sup>7</sup>. Ignatieff has also spoken of this problem; on the one hand, it seems that "only a society of strangers, of mediated and indirect social relations has the dynamism to achieve progress"<sup>8</sup>, but (in contrast to Hayek) he goes on to argue that we need "to find a language for our need for belonging which is not just a way of expressing nostalgia, fear and estrangement from modernity"<sup>9</sup> (which could be precisely what Jesus is offering). This we will return to in looking at the implications of the parable.

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<sup>4</sup> Hayek, 1978, p61

<sup>5</sup> Hayek, 1978, p61

<sup>6</sup> Hayek, 1982 (Vol2), p90

<sup>7</sup> Jenkins, 1994, p4

<sup>8</sup> Ignatieff, 1984, p119

<sup>9</sup> Ignatieff, 1984, p139

### The Scenario (Luke 10.30)

The first point to notice here is that we are dealing with a victim of what even Hayek would call injustice, ie harm intentionally done to him by individuals. His situation is, therefore, quite different from such as (a) the prodigal son, or the hungry or the naked (from the parable of the sheep and the goats), who are simply losers in the market game and (b) the blind, crippled etc, whose misfortune is just that and cannot sensibly be described as unjust.

What is less clear from Hayek's work is what the injustice done to the man implies in terms of response. The legal system has to enforce the system of just dealings that has been breached by the "brigands", but do the passers-by have any obligation to help the man when they are clearly not responsible for his plight? The idea of an obligation on "society" is, for Hayek, a nonsense<sup>10</sup>, but he does seem to leave a door open when he allows for rules of just conduct, which are normally negative, to include some positive injunctions when "accident has temporarily placed persons in a close community with others"<sup>11</sup>. And of course such accidental contiguity may be seen as an opportunity for altruism rather than an obligation of the "law" (in either Hayek's or the Biblical sense); even here, however, Hayek would want us to be cautious about what action is, in fact, doing good (as we shall shortly see).

### The Passers-by (Luke 10.31-2)

Any righteous indignation at the apparent indifference of the priest and the Levite may be misplaced, a throwback indicative of our unwillingness to "shed moral views developed for the tribal society"<sup>12</sup>. The achievement of the Open Society is at the cost of "the attenuation of the enforceable duty to aim deliberately at the well-being of the other members of the same group"<sup>13</sup>. Even if it were argued that we are here dealing not with "enforceable duty" but with a moral obligation of altruism, there are still questions which arise. "We (still) regard it as really better to help one starving man we know than to relieve the acute need of a hundred men we do not know, but in fact we generally are doing most good by pursuing gain"<sup>14</sup>. Thus those who pass by on the other side may be akin to the entrepreneur who builds up a

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<sup>10</sup> See Machan, 1985, p259

<sup>11</sup> Hayek, 1982 (Vol2), p36

<sup>12</sup> Hayek, 1982 (Vol2), p146

<sup>13</sup> Hayek, 1982 (Vol2), p146

<sup>14</sup> Hayek, 1982 (Vol2), p145

business and a fortune, and does more good thereby than if he had given his goods to the poor<sup>15</sup>; "some altruistic conduct aimed at the benefit of some known friend that in the small group might be highly desirable need not be so in the Open Society and may there even be harmful"<sup>16</sup>.

There are several reasons for this. First, the rule of conduct may not be universalisable; journeys from Jerusalem to Jericho become impossible if one has to stop and deal with every casualty one comes across. Second, the market provides the most effective way of dealing with any situation and interfering in its normal functioning may have unintended undesirable consequences; one cannot know, but it may well be more efficient to pass by knowing that someone with less pressing commitments at journey's end will be a more effective helper, at less cost to the economy, than my diversion of my time and skills from what the signals of the market tell me I should be doing. As Professor Hughes puts it (regarding overseas aid), "as markets are typically much larger and more quick to respond (!) than any aid organisation, it is much better to work with them rather than to attempt to supersede them"<sup>17</sup>. Such "rational insight" should therefore dominate over our "inherited instincts" in the "great moral adventure" of the Open Society<sup>18</sup>.

However, it may be argued that priests and Levites are not productive entrepreneurs likely to be generating wealth at the end of the road. In fact, as clergy-type figures, their callousness may be seen as indicative of the way in which personal moral responsibility is undermined by talk of "social justice"; they pass by, mentally composing sermons blaming "society" for the ills of the victims of the Jericho road. "The ubiquitous dependence on other people's power which the enforcement of any image of social justice creates inevitably destroys that freedom of personal decisions on which all morals must rest"<sup>19</sup>. Thus Hayek laments a modern lack of the faith and patience to build up voluntary organisations for purposes we value highly, attributing this to the use of concepts like social justice to shuffle off responsibility on to the government<sup>20</sup>. This seems both factually untrue with regard to the growth of "charities" and contradictory of what Hayek himself says of the destructive nature of collective action and of the dangerous futility of interfering in the market. However, there is a real issue here in terms of the

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<sup>15</sup> Hayek, 1982 (Vol2), p98

<sup>16</sup> Hayek, 1982 (Vol2), p90

<sup>17</sup> Hughes (and others), 1991, p7

<sup>18</sup> Hayek, 1982 (Vol2), p91

<sup>19</sup> Hayek, 1982 (Vol2), p99

<sup>20</sup> Hayek, 1982 (Vol2), p151

compatibility of an ethic that stresses personal (individual ?) responsibility (and thereby charity) and an ethic that focusses more on social responsibility and therefore social justice.

#### The Samaritan (Luke 10.33-35)

Here, at least, we have a man who has sufficiently emerged from tribal thinking to recognise some obligation to a member of another group. The danger, as Hayek would see it, is that we try to generalise from his willingness to help a person of his own free choice towards some kind of enforceable obligation when we have in that sense "no moral links to strangers"<sup>21</sup>. (This becomes relevant when we hear Jesus say "go and do likewise".)

Leaving aside the question (discussed above re the other passers-by) of whether the apparent altruism of his action in fact does good, we may note one or two details. Mrs Thatcher, noted that his accumulation of capital enables him to complete his aid to the victim (v35), while another follower of Hayek, Butler, sees the rich as having, among other beneficial functions, the possibility of experimenting in charity; Hayek himself claims that only the accumulation of capital in donor countries that makes overseas aid possible, although it may well be argued that it is the process of capital build-up in the North that creates the deprivation in the South which aid tries to alleviate.

The money, of course, may only be necessary because of the absence of an accessible, free Health Service - the existence of which would not only have undermined the Samaritan's sense of personal responsibility but so distorted the economy with "free-loaders" as to prevent the Samaritan earning his money (and render the victim not worth mugging). More seriously, Hayek would lead us to expect a higher standard of care from the innkeeper who receives clear "signals" or incentive by payment, than from a supposed public service. The Samaritan does not let this incident distract him from his role in the market for long and moves from helping this one, known, man to his normal role of helping (in unintended and unknown ways) many more unknown men through his participation in the market economy, in which there is neither Jew nor Greek, only consumers.

#### The "Punch-line" (Luke 10.36-37)

Jesus' reference to "proving himself a neighbour" (v36) may be the clearest indicator of what was said above, that we are dealing with a situation of transition in

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<sup>21</sup> Forrester, 1990, p11, citing Hayek, 1982 (Vol2), p165

which the ethic of the past (tribal) is struggling to come to terms with a new situation of greater mobility which challenges its limitations, and that the purpose of the parable is to extend the older ethic into the new society by simply expanding the concept of "neighbour" on which it is based (without what Hayek would see as the necessary attenuation of duties to "neighbour"). Jesus may be seen as dealing with the transition by proposing that strangers be treated as neighbours, while Hayek precisely inverts this by arguing that progress demands that neighbours are treated as strangers<sup>22</sup>. Having established the Samaritan as "neighbour" (on the basis of his actions), we have done more than widen the group; we have destroyed its ability to agree on ends (or end-dependent rules). Samaritans will not accept the (Jewish) Law as the basis of society, and we are inevitably involved in a pluralist, open society which can only survive by agreeing on "just" means independent of ends. Like it or not, we have moved from status to contract as the basis of relationships<sup>23</sup>, and the ethics of "neighbour", however defined, are no longer appropriate. In practical terms, the level of duty to neighbours expected by Jesus, to an apparently unlimited number of "neighbours" cannot be sustained without seriously damaging the efficiency of the whole "catallaxy"; if everyone is always stopping to help casualties, no work gets done!

One possible objection to much of the above might be that Hayek and Jesus are talking about different issues: Jesus is dealing with moral obligations voluntarily entered into, while Hayek "was not concerned with the moral realm"<sup>24</sup>, but with matters of law and coercion. However neither of these holds up as a hard-and-fast distinction. Jesus and the lawyer were discussing the meaning of the Law, which, while not the same as a modern legal system, was also not simply one moral option. And, like Marx, Hayek does not sustain a consistent scientific objectivity of evolutionary rationalism; as quoted above, he repeatedly talks about moral issues.

This reflection has shown that his theories represent a basic challenge to the social ethic embedded in the parable of the Good Samaritan. In attempting to achieve a synthesis, Walker has to bend both elements. Admitting that "the Bible affirms man's corporate, others-centred identity as much as it affirms his individuality"<sup>25</sup>, he goes on to argue that "the ethics of the Hebrew-Christian

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<sup>22</sup> Forsyth, 1988, p245

<sup>23</sup> See Plant in Elliot & Swanson (eds), 1989, p16 & p21-22

<sup>24</sup> Machan, 1985, p141

<sup>25</sup> Walker, 1986, p113

scriptures are not hyper-altruistic"<sup>26</sup>, and so to temper the element of self-sacrificial love with a positive moral content for enlightened self-interest, which thus turns out not to be a sin after all. On the other side, he picks up Hayek's stress on agreed moral rules of just dealing (to defend personal liberty) and wants to widen this : "it seems clear that moral rules covering the whole range of just and humane behaviour are also needed for a viable spontaneous human order"<sup>27</sup>. [On this basis, he sees a need "to identify those people (or that category of people) to whom one has a genuine obligation *deliberately* to aim at their welfare"<sup>28</sup> - "who is my neighbour ?"]. But this extension is surely precisely the point at which Hayek claims that the whole spontaneous order is undermined and we are on the way to totalitarianism. "Hayek's belief in the existence of a widespread opinion on the principles of just conduct, but the impossibility of agreement on the ends at which just conduct should aim, underpins his entire political and legal theory"<sup>29</sup>. As Plant has pointed out<sup>30</sup>, the new right sees a clear line between personal, private morality where there is consensus, and public morality upon which there is no consensus and which must therefore be subservient to the market's mechanisms, lest we be dragged from *cosmos* to *taxis*.

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<sup>26</sup> Walker, 1986, p113

<sup>27</sup> Walker, 1986, p108

<sup>28</sup> Walker, 1986, p114

<sup>29</sup> Crowley, 1987, p85

<sup>30</sup> Elliot & Swanson (eds), 1989, p11



## 6. From Justice To Forgiveness

### Forgiveness vs Justice ?

Having considered in some depth two secular critiques of the Christian concept of social justice developed in chapter four, it now seems appropriate to deal with a more specifically Christian objection to the stress on justice, namely that, Biblically and theologically, justice is tempered with (or even superseded by) mercy. While this argument clearly has social and political consequences, it is primarily theological and will be considered here first in theological terms. However, the approach adopted will arise from the reflections on justice discussed above, and will ultimately see mercy or forgiveness less as a competitor to justice than as a crucial part of the (Christian) dynamic of justice.

A crucial insight of liberation theology, which has become a commonplace of Christian thinking (and church statements) on social justice, is that sin takes not only individual, personal form but infects social (political and economic) structures, so that even when the rules of these structures are kept and applied honourably, by people of goodwill, injustice results - "the good that I would I do not"<sup>1</sup>. In the light of that understanding, it seems logical to consider the Biblical picture of how sin is dealt with, the self-sacrificial love which McGregor says is "the only Christian method of overcoming evil"<sup>2</sup>. That clearly leads us to forgiveness - "the divine correlative of human sin"<sup>3</sup>; in other words, forgiveness is how God deals with sin in the world.

Thus, if our concern for social justice makes us aware of the sinfulness of structures (and if we see in them the demonic principalities and powers of the New Testament), the divine (and Christian) strategy for overcoming them is forgiveness, "precisely so that the eradication of sin should take place in the most Christian and effective way"<sup>4</sup>.

Yet words like those of Sobrino cited above are rare in liberation theology (and generally in Christian discussion of social justice), where forgiveness does not appear to play a major role. There are two main, connected reasons for this.

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<sup>1</sup> Romans 7.19

<sup>2</sup> MacGregor, 1960, p52

<sup>3</sup> McDonagh in Richardson & Bowden (eds), 1983, p214

<sup>4</sup> Sobrino in Floristan & Duquoc (eds), 1986, p53

First, there is a "commonsense" feeling that justice and forgiveness are alternatives - a feeling rooted in the (criminal) law-court model of justice, with an underlying sense of justice as equivalence. Thus Willmer says that consideration of forgiveness is absent from our standards of justice because of "a sense that forgiveness and justice are incompatible qualities and lines of action"<sup>5</sup>, and Elizondo, relating the matter (crucially as we shall see) to questions of atonement and justification, says that "according to the norms of a sinful humanity that repays crime with crime, the justice of God who repays sin with loving forgiveness appears as totally unjust ... to our unjust humanity the very justice of God appears as the annihilation of justice"<sup>6</sup>.

This issue is a recurrent theme in literature. In Shakespeare, when Portia pleads for mercy, she owns that it "mitigates" or "seasons" justice<sup>7</sup>, implying that it may only be by reining in one's zeal for justice that one can allow space for mercy or forgiveness; it is not unreasonable to add that "temperings are tamperings"<sup>8</sup>. Angelo similarly claims to show pity "most of all when I show justice, for then I pity those I do not know, which a dismiss'd offence would after gall"<sup>9</sup>. We may hear here an echo of Hayek, in that the exercise of forgiveness seems to imply a failure to treat like cases alike, and to prefer the neighbour to the stranger, unless forgiveness becomes a general rule (which may be a contradiction in terms - see below).

It may be significant that the Shakespearean examples resort to theology as the area in which we might find reconciliation between the two. Milton, too, locates the conflict within God, with the cross as able to "end the strife of Mercy and Justice in thy face discern'd"<sup>10</sup>. Yet this reconciliation is by no means straightforward. In Anselm's formulation, "What kind of justice is it to give everlasting life to him who merits eternal death? How then, O good God, good to the good and to the wicked, how do you save the wicked if this is not just, and you do not do anything that is not just?"<sup>11</sup>, or as Fiddes more recently has put it, the justification of the unjust is "contrary to all the rules of human justice and in plain contradiction of conventional legality"<sup>12</sup>. It will already be apparent that we are using a range of terms

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<sup>5</sup> Willmer, 1979a, p103

<sup>6</sup> Floristan & Duquoc (eds), 1986, p73

<sup>7</sup> Merchant of Venice Act 4 Scene 1

<sup>8</sup> Murphy & Hampton, 1988, p167

<sup>9</sup> Measure for Measure, Act 2, Scene 2

<sup>10</sup> Paradise Lost, III, 407, cited by Talbott, 1993, p151

<sup>11</sup> Anselm, 1965, p126/7

<sup>12</sup> Fiddes, 1989, p86

(forgiveness, pity, mercy, justification, justice) whose distinct meaning will be explored below in the course of a discussion of atonement, but before moving to this I want to indicate the second reason for the rarity of talk of forgiveness in discussions of social justice.

There is, I think, a justifiable suspicion that talk of forgiveness may be a soft option for the Christian faced with injustice - "a word for the softness which degrades man by releasing him from all that is unbendable and demanding"<sup>13</sup>. Forgiveness is seen as the mechanism by which prophetic faith becomes the religion that is opium for the people through its teaching of an acceptance that allows the oppressor to go on unpunished and unchanged, oppression to continue and the voice of the oppressed to go unheard. So Moltmann says that "if it is only taken by itself as healing power for sinners and the miserable, without criticism of what is and what considers itself of importance, the gospel becomes the uncritical compensation for existing evil"<sup>14</sup>.

The Kairos document condemned the "church theology" which talks easily of reconciliation as the Christian aim in situations of conflict and fails to reckon seriously with the realities of injustice: we are not called to compromise with evil or come to terms with it, but to overcome it<sup>15</sup>. Talk of forgiveness, then, can mean a glossing over of injustice, a failure to take seriously the consequences of sin or appreciate its gravity. This criticism is not to be dismissed lightly. Sermons on forgiveness addressed by the oppressor (or even the comfortable outsider) to the oppressed run the risk of peddling cheap grace. We may not entirely agree with Simon that we are involved as Christians in deadly sin when we "wish to extend the atonement of Christ to the perpetrators of unrepented evil"<sup>16</sup> (this seems ultimately Pharisaic), but we cannot escape from the cost and the challenge of forgiveness, to all concerned, and must hold together the absolute and unconditional nature of God's forgiveness with the suffering that is its cost<sup>17</sup>.

Nor can we dismiss lightly the concern that forgiveness may be interpreted as weakness to be exploited. The onus is on those who advocate forgiveness to show that it benefits more than the privileged, especially when it seems to run contrary to the drive of liberation theology to bring the forgotten to remembrance as part of the

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<sup>13</sup> Willmer, 1979a, p103

<sup>14</sup> Moltmann, 1979, p171

<sup>15</sup> Kairos, 1986, p11/12

<sup>16</sup> U Simon, *Atonement: From Holocaust to Paradise*, J Clarke, Cambridge, 1987, p49

<sup>17</sup> See Phoenix in Frost, 1990, p78

building of social justice<sup>18</sup>. And there is a further danger, that calls for forgiveness may contribute to the culture of "blaming the victim". In the context of abusive relationships, for example, pressure on the victim to forgive may become a further burden placed by society on the abused, reinforcing a tendency for the victims to blame themselves (for a failure to forgive). As Hinchliff points out, we have tended to lay this burden on minorities and the powerless, ie those who we think can be compelled to forgive<sup>19</sup>.

Advocacy of forgiveness, then, can serve in many ways to deflect attention and action from the root injustices, to avoid rectifying the evil<sup>20</sup>. It is therefore crucial to stress that forgiveness is not about condoning, tolerating, excusing, justifying (in a non-theological sense), forgetting, or even understanding evil: the acknowledgement of sin, and its acceptance as sin, are part of the process of forgiveness, whereby evil is overcome. Sin which is hidden, in any of the above ways, continues to determine reality, whereas forgiveness is oriented towards a refusal to let the realities of today's sin (injustice) determine tomorrow. In this sense it is quite the opposite of forgetting sin: "forgiveness is about the free acknowledgement of offences alongside a refusal to allow them to define the future of relationships"<sup>21</sup>.

Bråkenhielm distinguishes two kinds of forgiveness - exculpatory forgiveness (which seeks to evade or deny responsibility) and admmissive forgiveness (which takes sin and responsibility more seriously)<sup>22</sup>. While he finds both varieties present in the gospels - "Father, forgive them, they know not what they do" seeming a clear example of exculpatory forgiveness - he rightly sees Jesus as talking more often of admmissive forgiveness. Yet the common language of much (Christian and other) advocacy of forgiveness is clearly exculpatory, speaking in terms of understanding and tolerance, and arguing a justification for forgiveness by playing down the seriousness of the sin or the guilt of the sinner. It is the tendency of this language towards moral laxity or indifference that has led many to campaign for "zero tolerance" toward male violence against women; tolerance which simply accepts or excuses abuse is indulgence rather than what the gospel understands as forgiveness. The force of such campaigns, particularly when the powerless are being urged to

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<sup>18</sup> See Duquoc in Floristan & Duquoc (eds), 1986, p42

<sup>19</sup> Hinchliff, 1982, p205

<sup>20</sup> Bråkenhielm, 1993, p7

<sup>21</sup> Gunton, 1988, p190

<sup>22</sup> Bråkenhielm, 1993, p16

forgive the powerful while the balance of power is left undisturbed, has to be admitted. The language of forgiveness has, therefore, to be distinguished from moral indifference and a false neutrality if it is to have continued force. As White puts it, "forgiveness is not offered out of moral indifference ... (but) real reconciliation between persons demands that moral guilt is faced and exposed"<sup>23</sup>. That is, in Bråkenhielm's terms, *admissive forgiveness*; in Bonhoeffer's classic account, it avoids the cheap grace which is "grace as a doctrine, a principle, a system ... the forgiveness of sins proclaimed as a general truth ... justification of sin without the justification of the sinner"<sup>24</sup>.

In this way the disturbing, challenging element in forgiveness is preserved "because it is rooted in the truth of the victim"<sup>25</sup>, nowhere more clearly than on the cross. When that unconditional offer of forgiveness (which does not depend on the oppressor realising beforehand the nature of his sin - "they know not what they do") effectively challenges the status quo and its realities, it provokes repentance and opens up the future to justice, in a way that the "justice" or "equivalence" of compensation cannot do. Thus White argues that "mere compensation leaves the past unredeemed" whereas "forgiveness and reconciliation involve something like the will to accept the evil consequences and to recreate the situation for good"<sup>26</sup>.

That such forgiveness offers the key to opening up the future in Northern Ireland, for example, may be easy to say from the comfort of this side of the water, but many who know the hurt of the situation at first hand have probed the meaning of forgiveness and the "healing of memories" in their situation<sup>27</sup>; from that kind of reflection, and practical commitment, Una O'Malley says that "contemporary nationalist politics must make room for forgiveness: only in this way can we have justice in our relationships"<sup>28</sup>.

It would seem, then, that there is not only a compatibility of justice and forgiveness but a creative interaction which is distinctively Christian and allows us to say that "(Jesus') way of being just, like that of God, consists in being merciful"<sup>29</sup>. As noted above, this is, in fact, the paradox of the atonement: the discussion of that

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<sup>23</sup> White, 1991, p43

<sup>24</sup> Bonhoeffer, 1959, p35

<sup>25</sup> Duquoc, in Floristan & Duquoc (eds), 1986, p43

<sup>26</sup> White, 1991, p99 & p89

<sup>27</sup> See eg Falconer, 1988

<sup>28</sup> Frost, 1990, p47

<sup>29</sup> Rubio, in Floristan & Duquoc (eds), 1986, p85



which follows is particularly as illuminated by the "metaphors" of justice and justification.

### Justice, Atonement and Justification

"In its justice, humanity had judged (Jesus), condemned him, sentenced him and killed him"<sup>30</sup>, and his response on the cross was not a cry for justice or revenge but for forgiveness. After the cross and resurrection, therefore, it is no longer possible to equate an abstract system of legal justice with the will of God; to say otherwise, and elevate human legal justice into a supreme principle, is to limit God, whose justice is of a different kind - *iustitia iustificans*, seeking repentance and renewal. "Restorative justice, as it is revealed in the Bible, alone has positive power for overcoming sin"<sup>31</sup>, and it is in this concept of "*iustitia iustificans*" that the potential lies for building the bridge which Moltmann seeks to forge between liberation theology and traditional reformed theology - "the Reformation doctrine of justification and the present day theology of the liberation of the oppressed need not be opposites but can provide mutual correction and enrichment"<sup>32</sup>. So, too, from the other side of the reformation divide, McDonagh writes that "theologically, liberation is the equivalent of salvation, redemption and justification, in that genuinely theological sense of the justice of God transforming unjust human beings into the just"<sup>33</sup>.

Hampton's suggestion of a move from criminal to private law as the paradigm here may be helpful (so that we can see God as having the right freely to give up his rights, ie to forgive)<sup>34</sup>, but less necessary if we take account of the different role of the judge in Hebrew (as opposed to Roman, and Roman-derived) courts. The Hebrew judge has a more active role, to save people from oppression; his justice (as already noted in chapter four) is not that of the blindfold and balancing scales, but of action to liberate from what oppresses. So the primary concern of God as judge is still salvation, rather than the pronouncing of a verdict. This is what underlies Tamez's point that God's concern is not juridical but salvific, that His main desire is to save or to liberate rather than to forgive<sup>35</sup>.

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<sup>30</sup> Elizondo, in Floristan & Duquoc (eds), 1986, p74

<sup>31</sup> Schrey, 1955, p183

<sup>32</sup> Moltmann, 1991, p46

<sup>33</sup> McDonagh, 1989, p23

<sup>34</sup> Murphy & Hampton, 1988, p176/7

<sup>35</sup> Tamez, 1993, p163



"This Hebrew setting means that 'justification', while a legal term, is at root a matter of relationships ... to be justified is to be received back into the fellowship of the community"<sup>36</sup>. This insight is bound up with a relational understanding of the justice, justification and forgiveness of God, with the emphasis on the quality, sustaining, renewing and healing of relationships as the sphere of divine activity. "Many Western theologies of atonement have tended to be legalistic, making it appear that God is a God of law before he is a God of love rather than the reverse, and so failing to do justice to the personal, relational aspects of the matter"<sup>37</sup>. On this model, then, justice is not a state (such as might be defined by the legal decision of a Roman judge) but "something that takes place between God and the world or between people"<sup>38</sup>; justification is not a static achievement but a dynamic state always in the process of moving forward<sup>39</sup>, because it describes the continuing activity of God.

Gunton's work seems to blur the distinction between justice and justification considerably more than might be acceptable to more traditional Protestant understandings of the terms. Although he rightly claims Luther as an ally in stressing the active, creative aspect of justice/justification, he admits that most Protestants have relapsed into what he calls a "pre-Reformation understanding of justice as merely distributive"<sup>40</sup>. Dunn, too, speaks with apparent regret of the moment "when the pre-Reformation belief in the justice of God gave way to the Reformation belief in justification by faith"<sup>41</sup>. To stress that justification is more than a pretence, or a legal fiction, but a renewed relationship saves God from degenerating into Irving's "stock-exchange divinity"<sup>42</sup>; justification is the activity of the God of justice. As Fiddes stresses, justification (which he equates with forgiveness) is more than a 'get-out-of-jail-free-card': "it is not an impersonal notice of acquittal which could be issued long ago and left lying around for us to pick up in due time, but a healing of relationship that must involve us now as the ones who are estranged"<sup>43</sup>. This relational and active understanding, which avoids the compartmentalising of justice and justification and which can be traced back to the work of Cremer and

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<sup>36</sup> Fiddes, 1989, p87

<sup>37</sup> Gunton, 1988, p87

<sup>38</sup> Gunton, 1988, p104

<sup>39</sup> Tamez, 1993, p84

<sup>40</sup> Gunton, 1988, p103

<sup>41</sup> Dunn, 1992, p1

<sup>42</sup> Gunton, 1988, p100

<sup>43</sup> Fiddes, 1989, p172/3

Kasemann<sup>44</sup>, seems much more than a convenient way out of the difficulties of the paradox as stated by Anselm above; it also is an authentically Biblical insight, resting heavily on the Old Testament roots of the idea of justice. The alternative "attempt to maintain a separation of justification and justice ... a fundamental perversion of biblical religion" is found by Suggate to be characteristic both of the "German Christians" of the 1930s and of Thatcherite Britain, with disastrous consequences in both for Christian concern for social justice<sup>45</sup>.

From the Old Testament we might also be helped to go beyond an individualistic understanding of atonement and justification. Weaver finds in Leviticus a pattern of atonement in which the community has two crucial functions of making known to the offender his sin and of enabling him to make atonement<sup>46</sup>; but she still tends to see the sinner as an individual. The Old Testament acts of confession<sup>47</sup> are acts of the community, and rituals such as the scapegoat are for the healing of the community (a fact which Fiddes notes, but doesn't always take seriously<sup>48</sup>). Some reflection of that healing and of solidarity in guilt is found in this Church of Scotland Order of Public Repentance -

"Ye have heard also the affection and care of the Church towards you, their penitent brother, notwithstanding your grievous fall, to wit, that we all here present join our sins with your sin, we all repute and esteem your grievous fall to be our own: we accuse ourselves no less than we accuse you : now finally we join our prayers with yours, that we and you might obtain mercy, and that by means of our Lord Jesus Christ"<sup>49</sup>.

If there is a solidarity in guilt, which the ritual of the OT attempts to deal with, albeit ultimately unsuccessfully, should we not see a solidarity in the atonement achieved on the cross (it being expedient that one man should die for the people) ? The tendency inherited from the Reformation to concentrate on individual sin and its forgiveness may have blinded us to the social and even cosmic dimension of justification; the curtain in the Temple is torn, rather than exclusive passes to the holy of holies being passed out selectively to the chosen.

Thus Brakemeier argues that "the Protestant church is challenged to abandon a narrow individualistic view of justification and to rediscover the social

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<sup>44</sup> See Brauch, 1977, p525ff

<sup>45</sup> In Dunn & Suggate, 1993, p82

<sup>46</sup> Weaver, 1994, p161

<sup>47</sup> Eg Ezra 9.6ff and Nehemiah 9.5ff

<sup>48</sup> Fiddes, 1989, p197

<sup>49</sup> Church of Scotland, 1868, p48

implications of the gospel ... justification by grace becomes excitingly relevant when we discover that the law from which it liberates us embraces also the social structures which determine our lives"<sup>50</sup>. This challenge was to some extent anticipated by Gregor Smith and Haddon Willmer, and has been taken up more recently by Dunn and Tamez. Willmer's argument for a "politics of forgiveness" is, he says, derived partly from a desire to "earth" a theology of the atonement<sup>51</sup>, and he cites Gregor Smith's comment that

"the total invitation to forgiveness, acceptance and reconciliation needs to be understood much less in individualist terms and much more in corporate and relational terms ... less as a kind of insurance policy with bonuses for the bourgeois individual and more as the re-establishment of a mighty and unique community, the all-inclusive community centred upon God with man"<sup>52</sup>.

Both Dunn and Tamez seek to reclaim the full force of Paul's understanding of justification by faith, set in both its Old Testament and its social contexts, as "a banner raised by Paul against any and all such presumption of privileged status before God by virtue of race, culture or nationality, against any and all attempts to preserve such spurious distinctions by practices that exclude and divide"<sup>53</sup>. Tamez argues further that "the fundamental problem for Paul was that there is not even one just person capable of doing justice in order to transform the reality characterised by injustice"; justification, then, is how "God makes it possible for human beings to do justice"<sup>54</sup>.

The individualist understanding of justification by faith which these accounts seek to correct is dangerous for a number of reasons. It can deny the social consequences of (even individual) sin, in order to liberate the sinner from guilt; it can function as good news for the oppressors while leaving them unchallenged and the oppressed without hope; by abstracting forgiveness from any social context, it can exclude its social relevance; and it excludes human participation in the ongoing dynamic of justification. As Driver puts it, the tragedy is that "the full-orbed New Testament meaning of the saving death and resurrection of Christ and their consequences for the salvation of God's people and the restoration of creation have come to be perceived as an abstract 'saving' transaction which allows sinful and

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<sup>50</sup> Brakemeier, 1988, p218

<sup>51</sup> Willmer, 1979b, p208

<sup>52</sup> Smith, 1970, p50

<sup>53</sup> Dunn, 1992, p15; see also Tamez, 1993, p96

<sup>54</sup> Tamez, 1993, p107 & 110

violent people and fallen structures to remain unchanged"; or in the graffiti he graphically cites - "God can't be trusted; Franco is in heaven"<sup>55</sup>.

"If it is true in general that it is important to stress the social character of Christianity, it is especially true for the practice of forgiveness, which is so open to the danger of privatisation"<sup>56</sup>; the growth of a social and cosmic understanding of atonement (glimpsed in the dramatic pictures of Revelation) opens up the possibilities of a politics of forgiveness that is loyal to the Biblical understanding of persons in relation, in community, and in creation. So Gunton says "there can be no merely moralistic or personalistic discussion of salvation which does not root human life in the context of the created order as a whole ... the theory of satisfaction tends to concentrate on the legal and moral rather than the cosmic aspects of the divine-human relationship"<sup>57</sup>.

Again there may be seen the beginnings of blurring of another Reformation distinction, between justification and sanctification. Gunton speaks regularly of a justice (justification) that transforms; "the justice of God is transforming action achieved through the crucifixion of Jesus"<sup>58</sup>. To some extent this is a necessary outcome of the more active understanding of justice already discussed. From such an understanding, McDonagh believes that "the Reformation debates as to the meaning of justification and its distinction from sanctification, for example, are ... no longer relevant here"<sup>59</sup>, and Dunn argues that the relational, creative understanding of justice takes us beyond the either/or conflict between justification as making righteous or counting righteous because "in reality the relationship envisaged is something dynamic, and presupposes that the divine partner acts on behalf of, in and with the defective human partners, drawing them into the relationship, sustaining them within it and acquitting them in the final judgment"<sup>60</sup>.

However, it is one thing to say with Emerson that "man needs redemption before he can be creative"<sup>61</sup>, and quite another to speak of atonement actually transforming; that is, redemption may be a necessary but not a sufficient condition for sanctification. Surely the Reformation insight here is that the process is not automatic, that the cross does not cause repentance and renewal but enables both, in

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<sup>55</sup> Driver, 1986, p30

<sup>56</sup> Rubio, in Floristan & Duquoc (eds), 1986, p89

<sup>57</sup> Gunton, 1988, p95

<sup>58</sup> Gunton, 1988, p192

<sup>59</sup> McDonagh, 1989, p23

<sup>60</sup> Dunn, 1992, p17

<sup>61</sup> Emerson, 1964, p96

other words that there is a risk in the offer of forgiveness, which may produce the repentance and renewal which are constitutive of justice, but may not. Thus when Rubio cites Papal authority for the proposition that "through this spirit of mercy the world becomes more human"<sup>62</sup>, we may rightly point to situations where the spirit of mercy has simply been exploited.

Yet, loyalty to the importance of that insight should not blind us to the incompleteness of justification understood solely as legal pardon; the Biblical witness is that forgiveness does in fact heal<sup>63</sup>. Thus Moltmann, citing Schlatter in support, argues that justification is not merely the retrospective forgiveness of sins but has a creative, forward-looking dimension. "The righteousness of God which reveals itself in the gospel to the godless ... does not as yet set man down at his goal, but only puts him on the road to it. It makes him part of the process through which God establishes his divinity, his justice and his glory"<sup>64</sup>. For Moltmann, this opens up an eschatological dimension of justification; for our purpose it may be sufficient to note the orientation of righteousness, justification, and the justice of God (all seen as dynamic processes not static states) toward renewal. In this respect, Willmer does not put it strongly enough when he says that "because Christ died for the godless he *hoped* for a rehumanisation through solidarity with all people"<sup>65</sup>; Moltmann's graphic picture of being set on the road seems more fully to reflect the power of the cross. Justification, reconciliation and change do belong together, or the cross and its power evaporate in a spiritual haze.

### The Meaning of Forgiveness

Justification, as Fiddes says, is neither a "transplant of moral qualities" nor a legal pretence<sup>66</sup>, but a renewed relationship in which the active, creative, redemptive justice of God is at work seeking to renew persons, communities and the whole creation, and that starts with forgiveness. This seems to correspond with the root meanings of forgiveness in the Bible. *Salach*, in the OT, refers primarily to the lifting of a weight, and so fits naturally with a sense of liberation; similarly, *aphesis*, in the NT, basically refers to release from a legal obligation, most notably debt, and so is used (Luke 4.18) of deliverance to the captives. Thus Emerson says that "in the Old Testament, forgiveness does not mean denial of the past; rather it comes to

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<sup>62</sup> In Floristan & Duquoc (eds), 1986, p92

<sup>63</sup> See eg Mark 2.1-12

<sup>64</sup> Moltmann, 1979, p166

<sup>65</sup> Willmer, 1990, p341

<sup>66</sup> Fiddes, 1989, p87



mean removal of the effect of the past on the present"<sup>67</sup>; this can equally be said of the New Testament understanding. Or, in the language of modern psychology, "forgivers reject the possibility that the rest of their lives will be determined by the unjust and injurious acts of another person"<sup>68</sup>.

At one level, then, forgiveness is "remotivating" (Bråkenhielm borrows this phrase from the anthropologist Desmond Morris), but it is more than the offering of a new beginning, a blank sheet, to the individual. Forgiveness is God's way of breaking into the spirals of injustice that can never be overcome by equivalence; it breaks the logic of law (in the sense of the *lex talionis* - see Matthew 5.38-42) so that "we shall now be free from the damning power of our past because the generative power for a new future will be embedded in our present"<sup>69</sup>. This sense of "breaking in" to a cycle of injustice may seem to lead naturally to the conclusion that forgiveness questions/interrupts the processes of injustice *from outside*<sup>70</sup>. This, however, is problematic if we are attempting to relate forgiveness to social justice; other than divine intervention, there can be no "outside" from which the challenge of forgiveness can come (as Marx points out). Yet even in atonement, it is by getting inside the situation of the victim that God, in Christ, brings the offer of forgiveness. Thus, while we may see forgiveness as the power (or even the creative justice) of God at work in a situation, it has to work within the situation; if this brings "something different"<sup>71</sup> to bear, that must come from, or at least through, the victim, as on the cross. (This may beg, for the moment, the question of who can forgive, to be considered below.)

Jensen argues that forgiveness means "to exhaust in one's own being the consequences one has suffered so that these consequences will not cause further damage", though, since these consequences are concrete, this must affect more than attitudes<sup>72</sup>; there is an inescapable cost to be paid - "nothing less than a journey of painful discovery"<sup>73</sup>. It is when we reckon with this cost that it becomes possible to accept the contention that forgiveness and punishment may not be incompatible. Bråkenhielm, for example, cites a Biblical basis for this in Numbers 14.18, where divine forgiveness is held alongside divine punishment even of children and

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<sup>67</sup> Emerson, 1964, p82

<sup>68</sup> Flanigan & Mauro, cited by Glynn, 1994, p50

<sup>69</sup> Moltmann, 1979, p164

<sup>70</sup> Eg Duquoc, in Floristan & Duquoc (eds), 1986, p42

<sup>71</sup> See Gunton, 1988, p191

<sup>72</sup> Jensen, 1993, p154ff

<sup>73</sup> Fiddes, 1988, p158



grandchildren for the sins of the parents. His argument fits well with what he has to say on "admissive forgiveness"; it is because forgiveness is not the same as condonation that it may include punishment and the reparation which Lebacqz sees as crucial to justice. But that punishment must be oriented toward, even subservient to, forgiveness; punishment (or reparation), for the sake of forgiveness, for the sake of justice. This moves in the same direction as Duff's argument that forgiveness is incompatible with the condemnatory responses which seek to exclude the criminal from our concerns. Rather, it is inclusive, oriented toward participation in a shared future<sup>74</sup>.

To emphasise the cost of forgiveness, and to suggest its compatibility with punishment and/or reparation, seems to deny the common link between forgiving and forgetting. Luther argues that, since we hope that God will forget our sins, to speak of forgiving without forgetting is a sham<sup>75</sup>, and no doubt it sometimes is. But forgiveness is to do with how we deal with the past, not repressing its memory; because we remember our sins, we hope that God will not hold them against us, will liberate us from them, and that may be the very opposite of denial or of forgetting. We need to do more about the legacies of past sin/injustice than forget them; forgotten, they are likely to retain their power and effect.

It is time now to return to the question (touched on above) of who is to forgive, or, rather, who can forgive. There is a persuasive secular argument that only the victim can forgive<sup>76</sup>, not least as a safeguard against cheap grace offered from the sidelines. Bråkenhielm cites Dryden ("forgiveness belongs to those who are injured") and Dostoevsky (in "The Brothers Karamazov") in support of this argument<sup>77</sup> for restricting the power to forgive to the victim, but ultimately he cannot agree with them. And Hinchliff points out that while it may seem presumptuous to tell the victim to forgive, it may be equally presumptuous to decide on behalf of the oppressed that things have gone too far for forgiveness<sup>78</sup>.

A sense of loyalty to the victim may rightly inhibit forgiveness being offered or proclaimed by the unhurt. But the issue of who can declare the transcendent reality of God's forgiveness is very much a part of Jesus' conflict with the teachers of the law; the gap in the Old Testament between God's forgiveness and human life (a

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<sup>74</sup> Duff, in Garland (ed), 1990, p45

<sup>75</sup> Luther, 1962, p283

<sup>76</sup> See eg Murphy & Hampton, 1988, p166ff

<sup>77</sup> Bråkenhielm, 1993, p33

<sup>78</sup> Hinchliff, 1982, p199

gap to which Shriver notes the jubilee as the conspicuous exception<sup>79</sup>) is bridged in the New, when Jesus points to the forgiveness of God as directly available. This becomes a question of whether forgiveness is purely a transcendent reality or whether we are to find traces of it in the world<sup>80</sup>. If forgiveness is to become an immanent reality with the power to make lives new, it must be offered in Christian solidarity with the victims; thus Bråkenhielm says that "another person who is able to identify in a unique sense with the injured party can in effect become party to the right to forgive"<sup>81</sup>. That, of course, is the crucial point where the cross is significant; it is in becoming the victim that God becomes able to forgive<sup>82</sup>.

Wherever that identification and solidarity are taken seriously (and not lightly assumed), a community can act together in offering (and receiving) forgiveness as well as in working out its meaning; forgiveness there is rooted in solidarity, in the concern of the community for the "little ones"<sup>83</sup>. As in the New Testament, forgiveness is learned in community. That cannot be other than costly, and it is predominantly the forgiver who pays the price; the community that seeks to be a locus for forgiveness has to accept that cost<sup>84</sup>. Within such a forgiving community, the risk is apparent of pressure to forgive becoming an added burden on the oppressed victim, but the converse is that the initiative in forgiveness is firmly with the oppressed (and those who can enter into genuine solidarity with them).

Swinburne argues that if forgiveness involves only the victim it becomes condonation; only if forgiveness is accepted, involving a change of heart by the wrongdoer, can it be considered effective forgiveness<sup>85</sup>. Similarly, Fiddes says that "forgiveness can be offered freely from one side only, but for it to achieve its aim it must be received"<sup>86</sup>. To some extent, this is a problem of an individual, rather than a relational understanding of the meaning of forgiveness; in another sense, it stresses the element of risk already noted as being of the essence of forgiveness. The initiative, and risk-taking, are inescapably with the victims and those who can identify with them; but the effectiveness of forgiveness and its completion depend on a renewed relationship (sometimes referred to as reconciliation). So Bråkenhielm

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<sup>79</sup> Shriver, 1995, p238n

<sup>80</sup> See Duquoc in Floristan & Duquoc (eds), 1986, p36/7

<sup>81</sup> Bråkenhielm, 1993, p34

<sup>82</sup> See eg Fiddes, 1989, p185

<sup>83</sup> Weaver, 1994, p168

<sup>84</sup> See Church of Scotland, 1868, p48, cited above, n49

<sup>85</sup> Swinburne, 1989, p86

<sup>86</sup> Fiddes, 1988, p160

concludes that while repentance is not a condition for forgiveness it is part of its completion - "what is needed to bring forgiveness full circle"<sup>87</sup>.

To remember that may be a safeguard against the assumption that reconciliation means compromise (a particular danger in the politics of forgiveness). In arguing for the retention of both justice and reconciliation within Christian political vocabulary, O'Hanlon suggests three crucial elements for a reconciliation that is more than papering over the cracks - a clear recognition of the offence, an unconditional offer of forgiveness and the payment of the cost of forgiveness<sup>88</sup>. The first of these elements has already been fully discussed above, in distinguishing forgiveness from condonation, and the third is at the heart of the theology of the atonement; but does forgiveness have to be unconditional? O'Hanlon sees this as a crucial break from a contractual model of relationships, and Bråkenhielm also sees it as being of the essence of forgiveness to be "unconditional - spontaneous and without reservation"<sup>89</sup>. It is only this which can prevent forgiveness from becoming a matter of calculation and thereby, again, cheap grace - "just as the law is not strengthened by making justification conditional (cf Galatians 3), similarly justice is not strengthened by making forgiveness conditional"<sup>90</sup> (however tempting that may be, particularly when we move into politics or economics and concerns about exploitation come to the fore).

Inescapably, advocacy of forgiveness challenges the belief in just deserts which Galbraith sees as crucial to the culture of contentment. As noted in chapter five, even Hayek admits that this meritocratic system of market rewards and punishments is a fiction, but it is a powerful myth, resistant to ideas which seem to challenge it, as forgiveness inevitably does. "God's justice is more than fair. It is a creative rather than an arithmetical fairness"<sup>91</sup>, ie it is beyond the "quid-pro-quo" justice of equivalence. That conclusion of the CTPI study group on punishment is shared by at least one liberation theologian, Gutiérrez, who argues that the God of the Bible does not stay on the level of justice but is an unpredictable God who "loves gratuitously"<sup>92</sup>. Gutiérrez has also argued that the prophetic language of justice has to be held together with the mystical language of gratuitous love if the three-dimensional fullness of liberation (political/social liberation, personal/human

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<sup>87</sup> Bråkenhielm, 1993, p39

<sup>88</sup> In Hurley (ed), 1994, p50/51

<sup>89</sup> Bråkenhielm, 1993, p13

<sup>90</sup> Torrance, 1986, p56

<sup>91</sup> Wood, 1991, p80

<sup>92</sup> Gutiérrez, 1991, p39

liberation, and liberation from sin) is to be realised<sup>93</sup>. This creative, gratuitous, unpredictability may be seen as taking divine justice beyond the moral dimension. God's grace does not conflict with the quest for justice, quite the reverse; it operates not in a world of straightforward cause and effect but of "freedom and gratuitousness"<sup>94</sup>, as the forgiveness out of which justice grows.

In perhaps a similar vein, Mackintosh sees forgiveness as having its origin "beyond morality"; religion, he says, characteristically takes sin more seriously than the moralists yet at the same time retains an openness to forgiveness<sup>95</sup>. In one sense, we are here back with the paradox with which we started, and the apparent contradiction of forgiveness and "justice". Ignatieff may well be right in contending that "a purely secular morality is an ethics without ultimate forgiveness"<sup>96</sup>, but what we have learned is that forgiveness only contradicts a narrow and static concept of justice as fairness. The element that is "beyond morality" (at least Ignatieff's "purely secular morality") is the creative dynamic, the power of God at work in forgiveness for the sake of building justice - looking forward rather than back.

### Forgiveness and Hope

O'Hanlon, however, is not alone when he characterises justice as subservient to reconciliation in Christian perspective. The case argued here is quite different - that forgiveness is the way towards justice, but a justice which, as we have seen, is more than legal. Legal justice encloses, blocks off the future, whereas forgiveness opens the horizon of hope, towards a fuller justice. It is liberating, at several levels. It sets people free from the logic of revenge - as glimpsed in recent years in Ireland, even if "the fact that Christ's followers have been freed from obligations of revenge has not found root"<sup>97</sup>. It undermines any sense of the hubris of self-righteousness, since it is in being forgiven that we find the challenge and courage to forgive<sup>98</sup>. And it liberates reality from the grip of oppression (and of the oppressors); "to forgive is to liberate, love the oppressed through a sinful reality and thus liberate that reality; love the oppressors and thus be prepared to welcome them and also destroy them as oppressors"<sup>99</sup>. Sobrino's concept of "forgiving reality", which seems a profound understanding of atonement, deserves further study as to its practical meaning, but

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<sup>93</sup> Gutiérrez, Drummond Lectures (unpublished), Stirling, 1995

<sup>94</sup> Gutiérrez, 1991, p39

<sup>95</sup> Mackintosh, 1941, p13

<sup>96</sup> Ignatieff, 1984, p99

<sup>97</sup> O'Malley in Frost, 1990, p46

<sup>98</sup> See Sobrino, in Floristan & Duquoc (eds), 1986, p54

<sup>99</sup> Ibid, p55

we make a start when we realise that forgiveness is not simply the gospel to the oppressor while justice is the gospel to the oppressed; forgiveness has to find a way into sinful structures<sup>100</sup>.

The concept of hope, opened out by forgiveness, is crucial here. The gospel of justification only has power, as Moltmann points out, "when it is directed critically towards the eschatological transformation of the unjust world"<sup>101</sup>; forgiveness, as noted above, opens the horizon of hope against the closed future of revenge and the justice of equivalence. "The real choice in politics is between actively believing in the reality of human hope through forgiveness or succumbing to the human meaninglessness we are left with if there can be no real release from what we have made of ourselves, our societies and our world through individual and corporate sin"<sup>102</sup>. This really restates the Pauline theology of the failure of the Law and the need for grace<sup>103</sup>. The cross is where the justice of God enters into the life of the world - through the representative victim - to bring hope through forgiveness (the reality of which is shown in the resurrection). And it is at the cross and beyond it that the "equilibrium of memory and hope" is maintained<sup>104</sup>.

#### Towards A Social Meaning Of Forgiveness

Forgiveness may, as Bråkenhielm points out, be commonly understood in our culture as an event between individuals and within "primary" groups such as the family; "forgiveness in the relationship between larger groups (for example, nations)", he says "is almost an unknown concept"<sup>105</sup>. For many theologians the Reformation understanding of justification has proved blinding as to the social meaning of forgiveness. "We understand (forgiveness) primarily in individualistic, psychological terms. There are religious and economic roots of this misunderstanding ... grounded in the principle that sin and forgiveness are individual matters"<sup>106</sup>. Indeed, the process of individualisation and privatisation began before the Reformation. Despite the importance of forgiveness in the life of the early church, Shriver says, theologians failed to give it due attention in their ethical expectations for public life, setting a path which led to the "sacramental

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<sup>100</sup> See further below

<sup>101</sup> Moltmann, 1979, p171

<sup>102</sup> Willmer, 1987, p7

<sup>103</sup> Especially in the Letter to the Romans

<sup>104</sup> Shriver, 1995, p32, citing Susan Jacoby

<sup>105</sup> Bråkenhielm, 1993, p7

<sup>106</sup> Amanecida, 1987, p90/1



captivity" of forgiveness in the medieval confessional<sup>107</sup>, whereby its political significance was primarily as a weapon of ecclesiastical power (although the individual "conversion" in the confessional of an exploiter of slaves like Las Casas into an apostle of Indian liberation shows that it could have liberating consequences<sup>108</sup>). There are some signs that the Reformers sought to break through this captivity and we have already noted some signs that Calvinism stressed the role of the Christian community in confession and forgiveness<sup>109</sup>. But it is difficult to dispute Shriver's contention that the Reformers generally left forgiveness "in captivity in the church and a stranger to politics"<sup>110</sup>, a matter between the individual and his God which might have some consequences in terms of the individual's attitudes to other individuals, but nothing more.

Once we start to see a social dimension to sin, and to see the sinner as more than a "monad"<sup>111</sup> (not necessarily the same thing), we are led into a search beyond that individualism. There may be more to the political dimension of forgiveness than the political significance of forgiving individuals.

However, this is not straightforward. David Jenkins, in seeking to relate forgiveness to social structures, speaks of the "necessary mediating processes which have to go on in relating these personal categories to structures and institutions"<sup>112</sup>. And Arendt claims gospel backing for her assertion that "forgiving and the relationship it establishes is always an eminently personal (though not necessarily individual or private) affair in which what was done is forgiven for the sake of who did it"<sup>113</sup>. The distinction between individual and personal is helpful, in terms of a relational understanding of forgiveness, but what does the *personal* character of forgiveness mean? Biblically, the power of God is at work in and through and against structures ("principalities and powers"), and forgiveness is a key dimension of that power. It might therefore be argued that, while the "principalities and powers" depersonalise, the justice that comes by forgiveness repersonalises, or humanises, by building community. The terminology of the "personal", however, may have a tendency to distance the personal from the structural, and it is important

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<sup>107</sup> Shriver, 1995, p49

<sup>108</sup> Shriver, 1995, p55

<sup>109</sup> Church of Scotland, 1868, p48

<sup>110</sup> Shriver, 1995, p50

<sup>111</sup> Amanecida, 1987, p101

<sup>112</sup> In Frost, 1991, p3

<sup>113</sup> Arendt, 1959, p217



to keep the Biblical sense of a forgiveness that invades structures as well as more "personal" relationships.

It certainly seems clear that it would require an extension of the normal (western) usage of the term to speak of forgiveness in other than personal terms. Daly suggests that we proceed here by analogy from individual personal relationship, expressing a caution against a reaction to individualism that becomes "a charter to abandon the inescapably individual and personal characteristics of a phenomenon such as forgiveness"<sup>114</sup>. These "individual and personal characteristics" are not as inescapable as they may seem; indeed, such OT practices as the scapegoat and jubilee seem to suggest otherwise. But they are certainly engrained in western culture to such a considerable degree that going beyond them becomes difficult, as a politics of forgiveness must realise, if only to challenge. Daly's suggestion of proceeding by analogy may be accepted so long as we do not assume that we are talking about a "second-class" concept of forgiveness subsidiary to the "real thing" (see further discussion of "diluted" forgiveness below).

Daly raises two issues when he asks whether the political/social embodiment of forgiveness amounts to more than the sum of individual attitudes; as we shall see, there may be more to the political dimension of forgiveness than the political significance of forgiving individuals, and the characterisation of forgiveness as an attitude seems inadequate. The question then is - what form does this social embodiment of forgiveness take? If liberation theology has worked out "a spirituality of forgiveness between social classes"<sup>115</sup> (and I cannot find any substantial working out of that in any liberation theologian), what form does it take? As Harvey Cox puts it, "this raises the question of how a whole society, or indeed a whole civilisation repents and starts over"<sup>116</sup>, a question with which the Kairos theologians wrestled.

The theological or theoretical difficulty which leaves social forgiveness relatively unknown or unexplored is a function of our individualist culture (and theology) rather than a necessity of the (Biblical) concept of forgiveness. Yet the schism between the ethics of interiority and the ethics of society has a long history<sup>117</sup>. Luther, as we have seen, attempted via the doctrine of the two kingdoms to remove forgiveness from any social context, and Niebuhr is also cited by

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<sup>114</sup> In Falconer, 1988, p105

<sup>115</sup> Peters, in Floristan & Duquoc (eds), 1986, p3

<sup>116</sup> Cox, 1968, p163

<sup>117</sup> McClendon, 1988, p210

Bråkenhielm as hostile to any political praxis of the ethic of the Sermon on the Mount in this way - "genuine forgiveness of the enemy requires a contrite recognition of the sinfulness of the self and of mutual responsibility for the sin of the accused; such spiritual penetration is beyond the capabilities of the collective man"<sup>118</sup>. However, the forgiveness we have been discussing is relational; it may still be characterised as personal without being individual. As Arendt recognises, any speaking of forgiveness depends on a "plurality, on the presence and acting of others"<sup>119</sup>; indeed, for her, it arises not from the transcendent, from outside, but "directly out of the will to live together with others"<sup>120</sup>. Or as the poet Robert Frost puts it, "to be social is to be forgiving"<sup>121</sup>; there is no warrant for restricting it to a narrow definition of "personal" relationships. Biblically, the story of Joseph may be read as one in which God's people Israel traced their origin as a community to a painful process of forgiveness and reconciliation<sup>122</sup>, both of which remain critical for the continued existence of the covenant community.

Even (perhaps, especially) where questions of individual responsibility for injustice recede into the background of the consideration of sinful structures, a politics of forgiveness has a part to play in the quest for social justice. From the very outset, any Christian engagement in politics demands forgiveness, or else we recoil in horror from the whole dirty business. As Willmer points out, any act of consent to government involves forgiveness<sup>123</sup>, since even authorities ordained by God are imperfect and in need of redemption; thus, the politics of forgiveness may represent the "ultimate realism" which recognises the inevitable imperfection of society without ceasing to struggle for justice<sup>124</sup>. On the one hand, purity of doctrine or of lifestyle may be seen to be at risk in Christian political activity, which therefore stands the more in need of justification by faith; on the other hand, it is only by engagement with social realities in the incarnation and crucifixion that God brings his forgiveness to bear in the world. Thus, Fiddes sees in Christian political engagement a pattern of resistance and submission which is characteristic of the pattern of the cross, and of the process of forgiveness<sup>125</sup>.

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<sup>118</sup> R Niebuhr, 1937, p121, cited by Bråkenhielm, 1993, p51

<sup>119</sup> Arendt, 1959, p213

<sup>120</sup> Arendt, 1959, p221

<sup>121</sup> Cited in Frost, 1991, p202

<sup>122</sup> Shriver, 1995, p24

<sup>123</sup> Willmer, 1979b, p214

<sup>124</sup> Hinchliff, 1982, p190

<sup>125</sup> Fiddes, 1989, p205/6

Attractive though this may seem, there remain further problem areas for the social dimension of forgiveness. First, as already noted, there is an element of risk in forgiveness. Even if it seeks repentance and is oriented toward transformation, forgiveness can be exploited, especially (though not exclusively) if it degenerates into cheap grace. But forgiveness which starts at the cross can not be a deal done when repentance is proved; the risk is of the essence of the gratuitousness of forgiveness. Thus a Waldensian/Methodist Church statement says that it cannot be reduced to a mechanism integrated into the legal or political process, becoming thereby an object of calculation<sup>126</sup>.

However, this reluctance to "profane" the divine forgiveness also has to avoid the danger of Pharisaism (Mark 2.7); in Christ, God's forgiving love is let loose in the world where it runs the risk of exploitation. Another way of putting this might be to say that the power involved in forgiveness is enabling rather than dominating. Indeed, "the one who wants to forgive must enable the other to accept his offer and win him back into fellowship freely"<sup>127</sup>. So the politics of forgiveness gives the initiative to the oppressed, to the "powerless", in building justice, which is, on the one hand, very much in line with the thinking of liberation theology, but also open to a charge of lack of realism.

A further serious charge against any politics of forgiveness is the blurring of the distinction between the guilty and the victim when it is claimed that "all have sinned" and stand in need of forgiveness. Niebuhr's reservation about the capacity of "collective man" to recognise this spiritual truth has been noted above, but even where it is recognised, serious problems arise. In the abstract it is easy enough to say that it is Pharisaism to deny human solidarity in sin<sup>128</sup>, and Christian to wait for him who is without sin to cast the first stone, but if we are faced with sin on the scale of Nazism or apartheid "a theology of reconciliation through God's solidarity with his enemies would be suspected of dangerous unreality"<sup>129</sup>.

The cross cannot be pressed into the service of self-righteousness or self-justification, and a theology of original sin undermines any suggestion of the absolute rightness of any cause or movement, but this does not commit Christians to neutrality in all conflicts. Willmer seeks a solution to this difficulty when he cites

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<sup>126</sup> Waldensian/Methodist Church document cited in Floristan & Duquoc (eds), 1986, p29

<sup>127</sup> Fiddes, 1989, p172

<sup>128</sup> Willmer, 1990, p340

<sup>129</sup> Willmer, 1990, p332

Barth's description of what forgiveness is - "that men can be for one another in spite of the fact that they have much against one another which they cannot overlook and forget"<sup>130</sup>. I think Sobrino is making fundamentally the same point when he says that "Jesus loves the oppressed by being with them and loves the oppressors by being against them"<sup>131</sup>. Both seem to stretch the language of "for" and "against" almost to breaking, but that is precisely what both Gunton and Fiddes realise the cross does to all metaphors for understanding it. The problem is to turn this into practical politics without lapsing into "dangerous unreality".

If the justice to which forgiveness is oriented seeks the rebuilding of community (reconciliation), I think Fiddes is wrong in assuming that this means compromise. He states that "to hold back and seek a compromise in the very teeth of victory is to give the Spirit of God the opportunity to heal the breach and create a new social order"<sup>132</sup>, but this lets down his argument from the atonement. The cross does not represent God's compromise with evil, but his radical way of tackling evil, and the politics of forgiveness has to remain loyal to that if it is not to degenerate into laxism. To speak of forgiveness is not to commit oneself to consensus politics; that is to forget the seeking after repentance. Similarly, Glynn's attempt to construct a politics of forgiveness around the American constitution with its "institutional basis of social and religious tolerance" seems unduly complacent, and lacking the cutting edge that such a political adventure demands.

Some of that cutting edge (and the cost of forgiveness) may be heard in Karl Barth's disturbing words in the late 1940s, when he said that Christ's invitation to 'come unto me' is addressed to "you unlikeable ones, you wicked Hitler boys and girls, you brutal SS soldiers, you evil Gestapo police, you sad compromisers and collaborationists, all you men of the herd who have moved so long in patient stupidity behind your so-called leader"<sup>133</sup>. As always there is the suspicion of taking their sins less than seriously, of cheap grace that avoids rather than seeking repentance. But there is at work here the justice of God in rebuilding community through forgiveness, and the strength that the Biblical witness sees in forgiveness.

There remains the basic problem of "politicising" theological truths. "The danger of collapsing salvation into a particular form of creative action is that the universality and challenge of religious truth becomes compromised. Grace is not

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<sup>130</sup> Willmer, 1990, p338

<sup>131</sup> Sobrino, in Floristan & Duquoc (eds), 1986, p53

<sup>132</sup> Fiddes, 1989, p206

<sup>133</sup> Barth, 1945, p40

available only for those with politically or economically correct opinions"<sup>134</sup>. Up to a point, what Sedgwick says here is undeniable; justification by faith is not reducible to a political programme without considerable violence being done to its full meaning. But nor can it be locked away from any significance in the political world, where inaction may be heavy with significance in the face of injustice. It is not a matter of "collapsing" or reducing truth, but of responding with theological integrity, in faith, to God and to particular situations in the real, social, economic and political world. The creative action that is thereby demanded is always, by definition, "particular", and risky; here, as throughout the Christian life, the humble, Lutheran admonition "pecca fortiter" applies as encouragement to action, warning against absolutism and reminder that all stand in need of forgiveness.

### Forgiveness Diluted ?

A further question arises as to whether this analysis, seeing forgiveness as creative of (rather than alternative to) justice, reduces forgiveness to merely a Christian political tactic. I don't think this is necessarily so. Forgiveness is, of itself, the work of God, and expresses the will of God, which is completed, eschatologically, in justice. Some have argued that "pardon" is a better description of the application of forgiveness in such areas. Thus Bråkenhielm, who, as noted above, is sceptical of social applications of forgiveness (though he does make the interesting suggestion that social workers may administer something like social forgiveness to their clients<sup>135</sup>), cites Downie in support of the contention that "we pardon as officials in social roles but forgive as persons"<sup>136</sup>. He goes on to draw a clear line between the pardoning that seeks to maintain a legal community and the forgiveness that is appropriate to moral and personal community, but, as he himself says, there are many different aspects of forgiveness (as there are of community) and it is not clear that the linguistic device of reserving forgiveness for the personal realm and pardon (which seems a kind of second class forgiveness) for the world of social structures is either necessary or useful.

A similar reservation might apply to Tamez's use of "amnesty". In a translator's footnote to Tamez's book, "The Amnesty of Grace", Ringe notes her contention that justification by faith amounts to the "gracious cancellation of all condemnation, every punishment and indeed the entire world view that rewards

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<sup>134</sup> Sedgwick, 1992, p119

<sup>135</sup> Bråkenhielm, 1993, p8

<sup>136</sup> Bråkenhielm, 1993, p26



privilege and merit"; it is neither pardon nor declaration of innocence but a "gracious declaration of amnesty for all humankind"<sup>137</sup>. As noted in the earlier discussion of atonement theology, there are limitations to any legal metaphor in conveying the full meaning of justification or forgiveness, and the weakness of "amnesty" seems to lie in its failure to convey the effective demand of forgiveness on the forgiven.

It is not any second-class, extended, or analogous meaning of forgiveness that is sought in social structures, but the full reality of forgiveness; the quotation marks in which Meeks encloses his argument that Third World debts which cannot be paid must be "forgiven" are unnecessary, representing too much of a concession to the privatisation of forgiveness. That is not to say that the issues are straightforward. In terms of Third World debt, for example, it has been argued that the language of forgiveness of debts is inappropriate because "careful historical analysis suggests that it should be creditor nations which should seek forgiveness for policies which lead to impoverishment and indebtedness of and within debtor nations ... (and the problem is) a matter of justice rather than of mercy"<sup>138</sup>. Similarly, both Jensen and Swinburne argue in different ways for a "disanalogy" between financial and moral debts, feeling that the former are straightforward to deal with while the latter are more complex. The first two chapters of this thesis suggest that is not the case vis-a-vis financial debt, and my contention would be that the theological groundwork of this chapter can illuminate precisely these complexities.

Radical forgiveness is appropriate, indeed necessary, in and for structures and systems as much as in what are generally called "personal" relationships. The next chapter will explore the practical difficulties in realising the potential significance of forgiveness in political and economic situations, as part of the quest for justice. That will take this theological or theoretical discussion back towards the original context of debt.

### Conclusion

Before moving to that, it may be helpful to summarise briefly the argument of this chapter. The theological argument has built on the understanding of justice developed in chapter four; as Tillich expresses it, in relation to God, justice "means creative justice and is expressed in the divine grace which forgives in order to re-

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<sup>137</sup> Tamez, 1993, p194

<sup>138</sup> Western European Churches' "Final Statement", in Jones, 1988, p44



unite"<sup>139</sup>. That creative justice is encountered in the atonement (as God identifies with the victims, and so can and does forgive), and in the Pauline doctrine of justification by faith. Therefore, rigid distinctions between justice and justification or between justification and sanctification distort all three elements (which may be distinguished, but not separated). Justification by faith is primarily about breaking barriers and enabling justice to be done. Although Luther and modern theologians of liberation may well have been asking different questions (Brakemeier suggests Lutheran theology answers the question "how do I, as a sinner, find a gracious God?" while theologians of liberation are responding to the question "how do we, the poor, find a just world?"<sup>140</sup>), the theology of justification by faith - freed from its individualist assumptions - offers a way into a profound understanding of three-dimensional liberation, with the social/political/economic dimension crucial to this study. It also offers a profound challenge, as we shall see, to the ideology of the market.

Despite Tillich's reservations about a language of forgiveness which trivialises sins (sins are forgiven, he says, but estranged people are justified), forgiveness need be neither trivialising of sin and its consequences nor individualistic. What has emerged here is an understanding of forgiveness which is far from forgetting or condoning evil. Admissive forgiveness, we have seen, neither evades nor trivialises sin, recognising that sin which is hidden or denied is likely to retain its power. Forgiveness is about breaking the power of past or present sin to corrupt the future, and that is not a matter of having a tolerant attitude. Therefore, like the Law, forgiveness is not an end in itself; it is how God tackles sin, which is personal, relational, structural. Forgiveness is creative of justice in all these dimensions, and that is a costly and risky process which is a task of the community as a whole and aims at restoring people to participation in the community (as in the Jubilee).

The danger of forgiveness being seen as a "soft option" releasing Christians from the demands of justice has some practical basis in the story of the church, and that avoidance of cheap grace underlies the low profile of forgiveness in liberation theology. But forgiveness which provokes repentance (rather than awaiting repentance as a pre-condition) undermines oppression profoundly, breaking into spirals of injustice. The word of God to the oppressor (and any other sinner) is

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<sup>139</sup> Tillich, 1974, p66

<sup>140</sup> Brakemeier, 1988, p217

therefore a word of forgiveness, at precisely the same time as it is, as Lebacqz argues, one which requisitions justice<sup>141</sup>. That is the word we are called to hear, to speak and, most crucially, to live.

That word, then, has to become flesh not only in psychological but in social and economic reality, in relationships - personal, political, economic - and in structures. What remains to be seen next is what form that word (to oppressor or to oppressed) may take when expressed in the social worlds of politics and economics; might justice again (as in the jubilee) demand that debts be forgiven ?

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<sup>141</sup> Lebacqz, 1987, p83

## 7. The Social Reality of Forgiveness

Having developed a theological grounding for, and tentative definition of, the social reality of forgiveness, the next logical step might be to work from these principles towards social and political practice which seeks to apply what we have discovered. However, there is a real danger of that becoming utopian, and it would not reflect the interactive relationship of theory to practice adopted in this thesis (and laid out in the introduction). Rather, particular situations will be considered in the light of the above discussion, and events assessed in terms of what in the nature of forgiveness has been at work. This will provide the final material with which to return to the original debt context outlined in the first two chapters, into which the concluding chapter will reflect the subsequent discussion.

Indeed, this approach is similar to that taken by several of those who have considered the politics of forgiveness in recent years. The "Forgiveness and Politics" project of the British Council of Churches in the 1980s produced a series of case studies<sup>1</sup> as their main output; Brian Frost's book on "The Politics of Peace" (which largely came out of his involvement in the BCC project) considers eleven international situations held together by the "thread of forgiveness"<sup>2</sup>; the Amanecida Collective made several visits to Nicaragua and discussed the issues of "revolutionary forgiveness" with many people there as the raw material for their book<sup>3</sup>; and the bulk of Donald Shriver's recent book is spent in considering what an "ethic for enemies" means in three specific international relationships<sup>4</sup>.

All of these reflect from a clearly Christian perspective, but with a conviction that this is appropriate to, and helpful within, secular situations. Their starting points are all similar to McDonagh's, when he says that "the awesomeness of justice as transcendent in origin is balanced by the intimacy of justice enablement as immanent in people"; this "justice enablement" is God at work in forgiveness, the God "whose justice and mercy are so deeply intertwined"<sup>5</sup>. Several relevant points arise from this. First, forgiveness, as we have seen, is an exercise in enabling (rather than dominating) power; it is part of God's "letting be"<sup>6</sup>, whereby He takes the risk of

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<sup>1</sup> See Krusche & Moltmann, 1987, and Shriver, 1987

<sup>2</sup> See Frost, 1991

<sup>3</sup> Amanecida, 1987

<sup>4</sup> Shriver, 1995

<sup>5</sup> McDonagh, 1989, p24

<sup>6</sup> Falconer, 1988, p93

liberation rather than domination. From there, it seems reasonable to move to recognising God in the secular experience of forgiveness, though this should not become an exercise in Christian imperialism.

Several authors in this field draw attention to the (surprising) claim of Hannah Arendt that "the discoverer of the role of forgiveness in human affairs was Jesus of Nazareth. The fact that he made this discovery in a religious context and articulated it in religious language is no reason to take it any less seriously"<sup>7</sup>. Mention of Jesus may be a warning of a danger in the overemphasis on God's part in this - a return to the reservation of forgiveness to God alone which was the substance of disagreement between Jesus and the scribes and Pharisees. Thus, Daly goes too far in his claim that "there is ... something inescapably 'religious' about forgiveness and atonement"<sup>8</sup>, nor are we dealing (as Bonhoeffer suggests) with merely a "faint shadow of the forgiveness which Jesus Christ vouchsafes to faith"<sup>9</sup> in secular contexts. "We Christians insult and diminish what has been revealed in Jesus crucified if we allocate forgiveness again, as in most of the Hebrew scripture, to the recesses of God's unique power"<sup>10</sup>. While Arendt realises how crucial this is, she seems to go a step too far when she says that Jesus denies that the power to forgive comes from God. It is crucial to retain both the transcendent source and immanent reality of forgiveness.

However securely we may intertwine justice and mercy in the theology of the cross, this does not lead straightforwardly to the politics of forgiveness. Wrestling with this, Kenneth Kaunda says "if I have found no way of coming to terms with the cross as a political strategy, at least I have been able to cling to it as a means of personal regeneration"<sup>11</sup>. It would be easy to respond to that theologically (as Niebuhr and others have done) in terms of the cross being resistant to reduction to political strategy, but any politics of forgiveness must come to terms with the cross and learn its significance. And Kaunda's words exemplify clearly one of the difficulties already noted, the individualism and privatisation of our theories of forgiveness and atonement.

Arendt sees forgiveness as an essential power for social change, a theme taken up by Shriver when he notes that the OT law on such as the jubilee year is

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<sup>7</sup> Arendt, 1959, p214/5

<sup>8</sup> Daly, in Falconer, 1988, p101

<sup>9</sup> Bonhoeffer, 1964, p118

<sup>10</sup> Shriver, in Frost, 1991, p197

<sup>11</sup> Kaunda, 1980, p179

"addressed not to self-consciousness but to selves-in-relation, selves alienated, and selves restorable to each other"<sup>12</sup>, recognising that "the community of humans, beginning with Israel, can be smashed by the sins of humans; but God can and will repair that community. And a leading name for the repair is the forgiveness of sins"<sup>13</sup>. Along with others, Arendt may be cited as seeing the crucial nature of forgiveness as breaking the "chain-gang of mere cause and effect from which life has laboured so long and painfully to escape"<sup>14</sup>; "without being forgiven, released from the consequences of what we have done, our capacity to act would, as it were, be confined to one single deed from which we could never recover"<sup>15</sup> (a secularised version of the doctrine of original sin).

In their own practical contexts, Kaunda and Tutu speak of forgiveness as the key to dealing with the "horrible entail of the past"<sup>16</sup>; Kaunda even sees a particular African gift for forgiveness as meaning that Zimbabwe will not seek its own versions of the Nuremberg trials<sup>17</sup> (a remark which seems quite a startling pointer to the different standards we are prone to adopt in proportion to our distance from any given situation of conflict). Forgiveness is liberation from re-enacting, and from mechanically reacting to, the past; from wallowing in the guilt of the past, opening up a "capacity for renewed society"<sup>18</sup>. Thus Shriver sees forgiveness as enabling new justice by repairing the breach between the agents and victims of old injustice<sup>19</sup>. This seems to lead to the crucial questions of where (and when) repentance comes into this and of whether forgiving means forgetting, both of which are issues to be explored in the specific contexts now to be discussed.

One of the problems with Brian Frost's book lies in the diversity of experiences which are included under the umbrella of forgiveness. In his introduction, Shriver notes that "what he (Frost) calls forgiveness may sometimes rightly be called by other names"<sup>20</sup>. In general there seems to be an acceptance implicit throughout the book that non-violence is a form of forgiveness; the very fact of the title - "The Politics of Peace" - emerging from a study of forgiveness and politics seems to beg the question of the relationship of forgiveness and peace. Of

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<sup>12</sup> Frost, 1991, p196

<sup>13</sup> Frost, 1991, p186

<sup>14</sup> L van der Post, *The Night of the New Moon*, Hogarth Press, London, 1970, p154

<sup>15</sup> Arendt, 1959, p213

<sup>16</sup> Tutu, in Frost, 1991, pvii

<sup>17</sup> Kaunda, 1980, p180

<sup>18</sup> Shriver, in Frost, 1991, p196

<sup>19</sup> In Frost, 1991, pxiv

<sup>20</sup> Frost, 1991, pxiii

course it is obviously difficult to speak of forgiveness while waging war against those one claims to be forgiving, but it is not clear that forgiveness and non-violence are to be identified. The way in which the Amanecida Collective wrestle with the issue of violence and forgiveness, while not ultimately satisfactory, seems to me a helpful pointer on the way. In personal terms, their understanding of the tension between "I hate" and "I don't hate" in the same person(s) at the same time and the relationship of that to forgiveness also seems helpful<sup>21</sup>, at a deeper level than the conventional "hate the sin, love the sinner" formula which seems unrealistically neat.

In various other writings, the medieval "*treuga dei*", the Roman "*parcere subiectis*" and the power to commute the death sentence are seen as in some ways analogous to forgiveness, yet falling short of its full meaning. Similarly, Fiddes weakens the concept of forgiveness when he equates it with seeking compromise<sup>22</sup>, another assumption implicit in some of Frost's book; as the Kairos document notes, the cross does not represent God's compromise with evil. When Frost says that "one of the main aspects of forgiveness is ... the willingness of politicians to allow systems to coexist and live side-by-side even though there is disagreement about aims and goals"<sup>23</sup> - Hayek's Great Society as the embodiment of forgiveness - again we seem to have lost the essence of forgiveness in a general commending of toleration under a new name.

One thing which is very clear from the diverse examples in Frost's book is the extent to which the forgiveness of individuals often has political significance. Again, it might have been helpful to have had more analysis of the precise meaning of forgiveness here. Daly covers some of this ground when he stresses the "limitations" of politics which he says cannot enforce forgiveness, only create a climate in which forgiveness (necessarily personal, in his understanding) can grow<sup>24</sup>. This seems to diminish the significance of legal forms of forgiveness (eg amnesties), or at least deflect from an analysis of which legal forms do in fact represent forgiveness (eg statutes of limitations, parole, bankruptcy law, pardons, etc), and even of the relationship of punishment to forgiveness<sup>25</sup>.

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<sup>21</sup> Amanecida, 1987, p84

<sup>22</sup> Fiddes, 1989, p206

<sup>23</sup> Frost, 1991, p20

<sup>24</sup> In Falconer, 1988, p113

<sup>25</sup> See eg Arendt, 1959, p216f



Of course, it is only out of the diverse range of material Frost gathers that a satisfactory analysis, and eventual definition, of forgiveness can emerge. Although we have explored theologically the meanings of forgiveness, the Bible does not offer a precise definition or even precision in the use of the concept; as Shriver notes, "with an imprecision that could only have annoyed rationalists like Immanuel Kant the biblical names for the norms of human life overlap, imply, exclude and modify each other"<sup>26</sup>.

Before going on to look in more detail at two of the situations described in Frost's, Shriver's and the Amanecida Collective's studies - post-war Germany and more contemporary Latin America - it might be helpful recapitulate some of the issues which have already emerged. At a basic level, forgiveness has to do with a refusal to let the past determine the future; it is not to be equated with condoning or excusing evil, nor with the forgetting of the injustices of the past; it is not "cheap grace", but rather has a cost; it is crucially about relationships (social and more narrowly personal). Forgiveness looks in hope towards justice; it initiates change by evoking (though not guaranteeing) repentance and redirection. While there is always a risk in that it may be exploited, it is the radical alternative to the escalation of the "justice" of retaliation to the point where eyes for eyes leave everyone blind. Forgiveness is the creative dynamic that breaks into the spirals of injustice.

It may be significant that nearly all of Frost's examples are drawn from situations in which a society can be said to be struggling to emerge from a conspicuously unjust past such as apartheid, slavery, Nazism, dictatorship, etc. All of these are areas where the injustice of the past is almost beyond dispute, and where society may be said to be putting that aspect of the past behind it (though there are serious disputes about the extent to which this last point is true). Situations where the "injustice" is more current (or currently contentious) may be more problematic and produce a different understanding of forgiveness as dealing with present injustice rather than exclusively with the entail of the past. However, there is much to be learned from the two scenarios, and from the different perspectives from which they are approached.

### Post-war Germany

The situation and dilemmas of post-war Germany in the aftermath of the holocaust continue to raise many issues around forgiveness even as the jubilees of

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<sup>26</sup> Frost, 1991, p195

many of the significant events of the ending of the second world war are marked; indeed, some of the dilemmas have arisen again in the situation of the reunited Germany of the past few years (and the of signs of neo-Nazi groups emerging therein today). Crucial among these issues are (a) questions of forgetting and denial of the past - which may become confused with forgiveness; (b) the importance of the gravity of the offence - which may be thought to undermine the possibility of forgiveness; (c) the question of "who can forgive ?" - which may limit the possibilities of forgiveness; and (d) matters relating to repentance - as a pre-condition for, or outcome of, forgiveness. It may also be highly significant to note the perspective from which comments are being made. Elie Weisel, who has repeatedly been quoted as hostile to any thoughts of forgiveness, speaks most closely from the perspective of the victims of the holocaust<sup>27</sup>, while Jurgen Moltmann writes explicitly as one who first heard the Stuttgart Declaration as a German prisoner of war in my home town of Glasgow<sup>28</sup>. Even Brian Frost (who writes about Germany's role in Europe from a British base<sup>29</sup>) and Donald Shriver (who writes about "Germans and Americans" from the US side of the Atlantic<sup>30</sup>) have the subtly different perspectives which may result from the different power relationships of their two home countries in relation to post-war Germany.

It has been argued that the provisions of the Treaty of Versailles, embodying the victors' justice of retribution after the First World War, were a key factor exploited by the Nazis on their road to power; Thielicke and even Bonhoeffer (in his early writings) express German resentment at this "open wound"<sup>31</sup>. A politics of forgiveness might well take this as an instructive starting point, a lesson to be learned, but consideration here will begin from 1945.

There seems a clear consensus among writers in the field that forgiveness cannot be about a forgetting of the past especially if that means denial - "those who cannot remember the past are condemned to repeat it"<sup>32</sup>. Thus the Stuttgart "Declaration of Guilt" of the German churches in 1945 is seen as crucial and commended by Frost as repudiating all efforts to vaporise German guilt or make that a matter purely between Germany (or Germans) and God<sup>33</sup>. Any proposal which in

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<sup>27</sup> See eg *The Scotsman* 27-1-95

<sup>28</sup> Krusche & Moltmann, 1987

<sup>29</sup> Frost, 1991, ch3

<sup>30</sup> Shriver, 1995, ch4

<sup>31</sup> D Bonhoeffer : *No Rusty Swords*, Collins, London, 1977, p76

<sup>32</sup> Santayana, cited from a service of remembrance, in Frost, 1991, p 40

<sup>33</sup> See Frost, 1991, p26

the name of forgiveness would seem to sweep the past under the carpet seems to smack of very cheap grace. Conscientisation (to borrow a term from another context) has therefore a part to play in forgiveness, not simply so that the victim should "understand" the oppressor, but that the oppressor should grasp what he has done (is doing?); one cannot be forgiven without accepting the sinfulness of what one has done. So the identification and condemnation of the offence is a necessary (preliminary) part of forgiveness. For Shriver, it is the crucial first strand of forgiveness in the political context which "gets its real start under the double impetus of judgment and forbearance from revenge"<sup>34</sup>; the moral truth of the injustice must be accepted before anything worthy of the name forgiveness can be completed.

Yet Shriver is noticeably less enthusiastic about whether the Stuttgart Declaration embodies this recognition. Because he places such stress on remembering the injustice, he is suspicious of the brief and, arguably, bland phrase in the declaration of "solidarity in guilt" which admitted "with great pain ... that unending suffering has been brought by us to many peoples and countries"; real forgiveness would have demanded that the horror of the holocaust and more be spelt out. On the one hand, this Declaration was shocking enough in its context to provoke anger in Moltmann and his fellow prisoners of war in Glasgow<sup>35</sup>, and it certainly was a first step away from "publicly pretended innocence"<sup>36</sup>, significant especially because it came on the initiative of many of those, such as Niemöller, in the Confessing Church who could have sought to justify themselves and deny complicity and/or solidarity in guilt. At its own historical moment, it was welcomed as opening the way toward a deeper justice than that which had been expressed by Versailles or at Nuremberg<sup>37</sup>. On the other hand, it left open the possibilities for the three techniques for suppressing guilt suggested by Krusche as operating in Germany after 1945 - dissociation from one's own guilt by focusing on others', privatisation of guilt by internalising it within the church (some evaded the force of Stuttgart by denying it was a document of any political significance<sup>38</sup>) and the fading

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<sup>34</sup> Shriver, 1995, p8

<sup>35</sup> Krusche & Moltmann, 1987, p41

<sup>36</sup> Shriver, 1995, p87

<sup>37</sup> Krusche & Moltmann, 1987, p9

<sup>38</sup> Krusche & Moltmann, 1987, p14

out of guilt<sup>39</sup>. Moltmann's considered reflection forty years later sees the Declaration as an important new beginning which was as much confession of hope as of guilt<sup>40</sup>.

Perhaps one of the important lessons here is that forgiveness is not to be confined to a moment, but describes a process with many strands intertwined. The Stuttgart Declaration played an important process which included later more specific confessions, the 1952 West German "Equalisation of Burdens" Law (giving reparations to some of those who suffered property losses during the war) and various Allied responses, going on still through the marking of anniversaries. Harvey Cox, writing in 1968 on the statute of limitations in relation to war crimes, is at pains to stress that "forgiveness allows no cheap escape from one's past"<sup>41</sup>. But what is "cheap"? The reflection on Stuttgart suggests that may well depend on who is being asked.

Clearly the enormity of the holocaust plays a part in all this thinking, though those who speak of forgiveness are always likely to be accused of failing to take seriously the hurt of others, unless (as we shall see) it is the injured who speak. Can the enormity of the offence "destroy the language which invests forgiveness with meaning and reference"?<sup>42</sup>, or does that place an unacceptable limit on the power of forgiveness? If Christians can justly be accused of failing to take seriously their need for contrition and repentance before lecturing Jews or anyone else on forgiveness here, they have also sometimes been too quick to identify the unforgivable sin.

Disappointingly, Arendt, relying heavily on Christ's word from the cross ("Father, forgive them, they know not what they do"), confines forgiveness to acts with unforeseen consequences; for her, it simply does not apply to "the enormity of crime and willed evil"<sup>43</sup>. This does not seem a convincing account of the gospel of forgiveness, or even of the particular text, which is addressed to people who thought (as much as any convinced Nazi) that they knew what they were doing. We cannot exclude any offence from the possibility of forgiveness, but would do well to think of such extreme cases as the holocaust as a corrective to our language of forgiveness becoming too glib, and to any easy equation of forgiveness with understanding as if that were all there is to it. Thus Moltmann says "that we are all sinners is a commonplace which becomes a lie in concrete situations because it draws a veil

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<sup>39</sup> Krusche & Moltmann, 1987, pp11ff

<sup>40</sup> Krusche & Moltmann, 1987, p47

<sup>41</sup> Cox, 1968, p170

<sup>42</sup> Daly, in Falconer, 1988, p110

<sup>43</sup> Arendt, 1959, p215

over what was actually done"<sup>44</sup>. In that light, we need to examine the language of forgiveness carefully but not necessarily discard it. Ultimately, if forgiveness is about how we are set free from the past, on the path to new justice, it is all the more vital to find its meaning in situations of this gravity.

Yet even with safeguards against the cheapening of the grace of forgiveness, the accusation of laxism is still likely to be made if the word of forgiveness is spoken from the sidelines (or by the offenders themselves, or those identified with them). In the context of the holocaust, can only those who were there forgive, or those whose families were victims, or any Jew? Are the apparent differences between most Jewish and most Christian comments on the appropriateness of forgiveness after the holocaust fundamentally a matter of theology or of experience?

No-one can deny that words of forgiveness which come from the victim carry greater power and credibility, and those who seem closer to the side of the offender may be rightly criticised for too easy a word here. As noted already, theologically, forgiveness "only comes from the hands of the ultimate and representative victim"<sup>45</sup>. The power of forgiveness is therefore "rooted in the truth of the victim"<sup>46</sup>, and can only be effectively conveyed in solidarity with the victim(s); but must it wait on the individual victim? It is not clear that we can talk meaningfully of forgiveness without it involving the victim somehow, and indeed part of the attraction of the politics of forgiveness may be that it leaves the initiative with the oppressed or offended<sup>47</sup>, whose recovered sense of self-worth may be a vital part of the process of forgiveness. Yet rigid adherence to the "only the victim can forgive" formula would almost totally exclude any social/political dimension of forgiveness. How can a government speak a word of forgiveness when it is not the victim? Once again, the only answer here seems to lie in breaking free of individualism, and recovering the role of the community as the locus in which forgiveness is both learned and mediated. Forgiveness is indeed a "corporate task"<sup>48</sup>.

Shriver explores many of these issues in a detailed consideration of President Reagan's visit to Bitburg in 1985. Having initially declined to visit a concentration camp (to avoid "reawakening the memories"<sup>49</sup>), the President proposed to lay a

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<sup>44</sup> Krusche & Moltmann, 1987, p47

<sup>45</sup> Willmer, 1990, p339

<sup>46</sup> Duquoc, in Floristan & Duquoc (eds), 1986, p43

<sup>47</sup> Frost, 1991, p4

<sup>48</sup> Weaver, 1994, p164

<sup>49</sup> Shriver, 1995, p94



wreath at a German military cemetery at Bitburg, where, it emerged, there were the graves of several officers of the Waffen SS. An attempted gesture of reconciliation thereby became a subject of intense political conflict (especially in the United States), dramatically so when the President presented a congressional medal to Elie Weisel. President Reagan, who had, in the heat of a press conference, claimed that the SS men were "victims of Nazism ... just as surely as the victims of the concentration camps"<sup>50</sup>, spoke of reconciliation which could include remembering, while Weisel attempted to dissuade him from going to Bitburg on the basis that his place was with the victims of the SS not the criminals, and that memory and truth have priority. Perhaps surprisingly, Weisel quite expressly denied any "collective guilt" - "only the killers were guilty"<sup>51</sup>.

Clearly, political forgiveness, even in the symbolic gestures of leaders, is not straightforward. Albeit in less intricate, but more passionate, form, many of the theological issues discussed above surfaced in this controversy about the meaning, cost, appropriateness and form of forgiveness in what, forty years after the events, was clearly a highly charged issue. Shriver finds the most discerning words on the matter in a speech of the West German head of state, von Weizsäcker, who wrestled with the problems and pain of identifying with the victims and argued that "whoever closes his eyes to the past becomes blind to the present"; because we seek reconciliation, we "must understand that there can be no reconciliation without memory"<sup>52</sup>. While von Weizsäcker later was reluctant to use the language of forgiveness to describe his message, Shriver finds in it many of the crucial elements - painfully accurate identification and confession of a nation's sins, restraint and forbearance towards enemies who duplicated or collaborated in these sins, seeking after justice without revenge, and "above all the hope that through right remembering of history a people can rightly turn themselves politically toward reconciliation among themselves and with their former enemies"<sup>53</sup>.

If Shriver welcomes von Weizsäcker's words as the culmination of a process of national repentance that started at Stuttgart, is he right in seeing this as a necessary *preliminary* to forgiveness? Frost quotes words from Polish Prime Minister Gomulka - "the sins of the German people against the Polish people are great ... Reconciliation and forgiveness apply only to those who are prepared to do

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<sup>50</sup> Shriver, 1995, p95

<sup>51</sup> Cited Shriver, 1995, p97

<sup>52</sup> Cited Shriver, 1995, p110

<sup>53</sup> Shriver, 1995, p112



penance. Without contrition there is no forgiveness"<sup>54</sup> - and many close to victims argue, with some force, for this necessity. Yet, it is disturbing when Shriver writes in one place that "the Bible knows of no consummated forgiveness in the absence of repentance" and goes on to deduce that the world has the right to keep the jury out on the Germans' right to have the past considered past until we are sure that Germans have forsworn Nazism<sup>55</sup>. The key word is "consummated"; many others with similar reluctance to speak the word of forgiveness before repentance note "the plain Biblical assertion that repentance often comes after and not before forgiveness"<sup>56</sup>.

At another point, Shriver argues that public repentance is one of the four necessary strands in political forgiveness, and these strands are interwoven in the fullness of forgiveness; no one strand, then, has priority, in logic or in time, and the process of forgiveness cannot wait on complete repentance before it begins. However, when Moltmann speaks of there being no forgiveness without atonement, just as there can be no reconciliation without the restoration of justice<sup>57</sup>; this seems to come dangerously close to justification by works. Is this simply a matter of words - whether we mean by "forgiveness" the necessarily unilateral initiative that cannot, Biblically, wait on repentance, or the "consummated" process of restored relationship and justice which clearly does demand repentance, and that at more than a verbal level - or is there something more here? This seems to relate to the issue raised earlier with regard to justification and sanctification: we might usefully say that sanctification is the consummation of justification, completing the process, as repentance is part of completed forgiveness. But it is significant that Shriver's stress on adequate repentance becomes greater when he is dealing with concrete cases in which the danger of glossing over pain is most acute.

What is repeatedly clear is that, politically at least, forgiving does not mean forgetting. Cox speaks of God's willingness to forgive and restore, rather than forgive and forget, and the Amanecida Collective almost turn the popular phrase on its head when, like Shriver, they conclude that forgiveness has to do with remembering what has been dismembered<sup>58</sup>, with putting back together what past injustice has torn apart.

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<sup>54</sup> Frost, 1991, p33

<sup>55</sup> In Frost, 1991, p195

<sup>56</sup> Cox, 1968, p172

<sup>57</sup> Moltmann, 1991, p49

<sup>58</sup> Amanecida, 1987, p104

## Latin America

This dilemma over repentance may take us from Germany to Nicaragua, where the Amanecida Collective wrestled with the problem of forgiveness in the revolutionary situation of the mid 1980s, where not only was there a lot to forgive in the structural violence and injustice of the recently overthrown past, but many of those personally responsible were actively and violently trying to regain the power to renew these injustices. They are honest enough to admit to it being only their majority view that "if revolutionary forgiveness is to occur the victimiser must not only confess. The victimiser must repent, cease the violence"<sup>59</sup>. Clearly this arises from an awareness of the perversion of the concept of forgiveness at the expense of those who have been, and are being, abused. Yet we still have to come to terms with Jesus' word of forgiveness addressed to "a people unrepentant, starved for forgiveness, bent upon harrowing, bludgeoning and bombing the Power of Love right out of the world ... (ie) in spite of their refusal to repent"<sup>60</sup>. Which, ultimately, is the cheapened grace - the forgiveness that is undemanding, and fails to challenge, or the forgiveness that is conditional and contractual and fails to liberate? Somehow, forgiveness must surely be both unconditional and challenging (in order both to be true to the Biblical witness and effective in breaking into the cycle of action and reaction), which is hard enough to achieve in personal terms and harder still in the political realm where any structuring of forgiveness will be likely to make it open to becoming a matter of calculation.

A Waldensian/Methodist church document from Italy seems to go too far along this line when it says that "forgiveness is not to be profaned by withdrawing it from the ambit of God's gratuitous grace and setting it in the mechanisms of a juridical and moral contract in which it becomes the means of exchange and the object of calculation"<sup>61</sup> (which seems to remove any practical possibility of a social reality for forgiveness in the name of preserving its purity). But there are limits to politics here, especially if one holds to a personalist understanding of forgiveness in which the renewal of personal relationships cannot ultimately be achieved by legislation<sup>62</sup>; many relationships, however, are politically/economically structured and therefore crying out for the politics of forgiveness.

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<sup>59</sup> Amanecida, 1987, p108

<sup>60</sup> Amanecida, 1987, p109

<sup>61</sup> Cited in Floristan & Duquoc (eds), 1986, p29

<sup>62</sup> See Daly in Falconer (ed), 1988, p113

On the one hand, forgiveness cannot be postponed until after the revolution if it is to be a revolutionary force. But how then do we react when the "forgiven" oppressor refuses to repent or change his ways? Forgiveness is readily seen as weakness. From feminist as much as Nicaraguan situations, the Amanecida Collective ask whether forgiveness can be "nothing more than limp acquiescence to reigns of relational terror whether in personal relationships or international affairs"<sup>63</sup>. Like Frost, they cite the example of Tomas Borge, and his personal and political forgiveness of former national guardsmen, many of whose reaction to this liberation was to go off and join the Contras. Does this exemplify the weakness, or risk, or the one-sided injustice of forgiveness?

"A one-sided restriction to the perpetrators and forgiveness of their active sins has made Protestantism blind to the suffering of the victims and their passive sins and to God's saving and judging 'option for the poor'"<sup>64</sup>, writes Moltmann. Clearly, a theology of liberation which speaks only of that forgiveness has failed to engage with the reality of the situation, but has a theology of liberation which omits that dimension not also lost something crucial to its revolutionary power? Does the insight that we share the need for forgiveness unacceptably blur the distinction between the oppressor and oppressed, or rather open a way forward together which may be more creative of community (and therefore more "just")? As Moltmann goes on to say, "the true Reformation doctrine of justification is the theology of the liberation of those without rights and of the unjust"<sup>65</sup>. This fits well with the Latin American perspectives of Elsa Tamez (in her recent book subtitled "Justification by Faith from a Latin American Perspective"<sup>66</sup>) and Gustavo Gutiérrez, who argued in his Drummond lectures<sup>67</sup> that liberation is three-dimensional - social/political liberation, "human" (personal) liberation, and liberation from sin - and that these three dimensions must be held together.

This, however, does not commit us to a neutrality which the gospel commands us to abandon so that "the Christian must love everybody, but not all in the same way; we love the oppressed, defending and liberating him; the oppressor, accusing and combating him"<sup>68</sup>. Similarly, Sobrino speaks of forgiveness impelling

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<sup>63</sup> Amanecida, 1987, p89

<sup>64</sup> Moltmann, 1991, p46

<sup>65</sup> Moltmann, 1991, p46

<sup>66</sup> Tamez, 1993

<sup>67</sup> At Stirling, 1995, unpublished

<sup>68</sup> Girardi, in Frost, 1991, p142

us to "love the oppressed through a sinful reality and thus liberate that reality"<sup>69</sup>, and Gutiérrez says that "there is no way not to have enemies; what is important is not to exclude them from our love"<sup>70</sup>. The tension of this is necessary since love of enemies is clearly a dimension of political forgiveness; as Daly puts it "human forgiveness is an analogical mimesis of divine forgiveness, and love of enemies is its paradigmatic test"<sup>71</sup>.

How, then, can forgiveness be reconciled with justice in Nicaragua ? The Amanecida Collective claim to have "caught sight of some of the characteristics of forgiveness that - if embodied in our lives, in our nation and in Nicaragua - can create justice"<sup>72</sup>, which is precisely the theological understanding arrived at above. Indeed, if forgiveness has no orientation toward justice it may have no rightful place in politics. Yet many theologians, from Aquinas to Luther to Niebuhr (as well as secular philosophers such as Arendt), have resisted the belief "that these two (forgiveness and justice) can be much connected in the public sphere, by Christians or anyone else"<sup>73</sup>. In general, we may say that this is done in the name of saving us from dangerous unreality, whereby "every effort to transfer a pure morality of disinterestedness to group relations has resulted in failure"<sup>74</sup>. However, the politics of forgiveness does not belong to what is called a "pure morality of disinterestedness" but to the strategy of dealing with immoral society and the building of a justice that consists more in the building of community than the purity of law. Indeed we may see it as part of the radicalism of a Christian understanding of justice that goes beyond a "managerial justice" which can only tinker at the edges of problems without challenging underlying structures. Yet, forgiveness can never guarantee justice; the element of risk is inevitable and we have to accept the fact that acts of forgiveness "could well have the result of entrenching evil still further"<sup>75</sup>, without that compelling us to reduce forgiveness to an afterthought when oppression is overcome. The gospel call is indeed to revolutionary forgiveness; the political challenge is to find the social forms in which that can take shape, of which Frost gives many examples in the realities of some grim situations.

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<sup>69</sup> In Floristan & Duquoc (eds), 1986, p55

<sup>70</sup> Gutiérrez, 1983, p48

<sup>71</sup> In Falconer (ed), 1988, p104

<sup>72</sup> Amanecida, 1987, p99

<sup>73</sup> Shriver, in Frost, 1991, p190

<sup>74</sup> Niebuhr, 1947, p268

<sup>75</sup> D Campbell (a Chilean refugee), in a personal letter cited in Frost, 1991, p147

It is crucial for this to see forgiveness as descriptive of a quality of relationships, rather than the more common vocabulary of an act or attitude. Martin Luther King, for example, says that forgiveness is "not an occasional act; it is a permanent attitude"<sup>76</sup> and Kenneth Kaunda speaks of a "continual willingness to live in a new day"<sup>77</sup>. Falconer's stress on a power or energy in forgiveness is helpful to its integration into the dynamic of justice, but the only escape from individualism is to locate forgiveness not in terms of dispositions but in relationships, the Biblical basis for which has already been outlined above.

Shriver seems in sympathy with this approach when he says that "over against many a rational system of ethics from the Greek to Kantian, biblical moral norms are chiefly directed at the preservation, correction and restoration of relationships between God and humans and among humans themselves"<sup>78</sup>. So when Moltmann speaks of the need to translate the theology of the atonement "from objectifying, legalistic terms into human and personal concepts" he can speak readily of relational understandings of sin and atonement<sup>79</sup>, and forgiveness fits readily into McDonagh's picture of a justice that is in person and community, relationship and structure<sup>80</sup>. The move from relationship to structure is an easier one than from individual to state in our understanding of forgiveness, though not without problems of its own.

This is very fully explored by the Amanecida Collective, who conclude that "from a liberation theological perspective, the people's forgiveness of their oppressors is based on their trust in the relational, communal fabric of both divine and human life well-lived ... to forgive is to invite back into right relation"<sup>81</sup>. The revolution which repeats the oppressions of the past by inverting them is a common enough scenario; this liberation perspective, oriented primarily toward rebuilding community, has forgiveness as a crucial dimension in order to seek genuine freedom from the injustice of the past.

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<sup>76</sup> C S King (ed) : *The Words of Martin Luther King*, Collins, London, 1984, p23

<sup>77</sup> Cited in Frost, 1991, p163

<sup>78</sup> In Frost, 1991, p196

<sup>79</sup> Moltmann, 1991, p51/2

<sup>80</sup> McDonagh, 1989, p24

<sup>81</sup> Amanecida, 1987, p123



Again, forgiveness in Latin America is enabling rather than compelling - "the forgiveness of sin which is quite undeserved and unexpected enables relationships to be freed from the burden of the past and to grow in a more wholesome way"<sup>82</sup>; that same power for renewal can be effective in the structured relationships of political society. "Forgiveness is an act of 'integrative power' enabling the other to be, enabling the other to take responsibility for himself or herself"<sup>83</sup>, so again we may see forgiveness not as contradictory of freedom and responsibility but as creative of these.

#### Some Other Political Contexts as Illustrative of Forgiveness

Glimpses of this social reality of forgiveness may be seen in other contexts too. The situation in Northern Ireland has moved on considerably since "Reconciling Memories" was published in 1988; indeed the theological work reflected in that book, as well as the very practical projects of reconciliation (at Corrymeela and elsewhere) that are interwoven with it, may in time be seen as playing their part in the progress that has been made. Many of the issues discussed above have been part of the political debate over the past year, such as the cost and risk of taking the first steps toward forgiveness or reconciliation (not least for politicians struggling to maintain credibility within their natural support base while reaching out to build bridges towards the "other side"). This, of course, is a situation with a particularly religious dimension, where the "tribal" identity of warring factions is perceived as one into which they were baptised. Where baptism into the death and cross of Christ degenerates in this way, there is an urgent need for clear theological thinking which (in terms of the theological argument outlined above) might find the forgiveness that is needed precisely at that point. Current debates, around the extent to which laying down arms by the IRA (and/or the UK government) is a necessary preliminary to further talks and a political settlement which might embody a form of forgiveness building justice and breaking free of the past, also reflect the discussion above on repentance and power-shifts in relation to the process of forgiveness.

Many feminists have written on issues of forgiveness in relation to abuse<sup>84</sup>. This is also a political issue, in which those who feel a close identity with the victims are advocating "zero tolerance" and are reluctant to talk of forgiveness. Sharon Ringe has written of her conviction that "as long as the one to be forgiven

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<sup>82</sup> Falconer, 1988, p91

<sup>83</sup> Falconer, 1988, p91

<sup>84</sup> Eg Koontz, 1994



still holds power over the other ... one cannot ask the one who has been wronged to forgive"<sup>85</sup>. As with the holocaust, those whose apparent natural affinity is with the perpetrator rather than the victim are rightly reluctant to speak glibly of forgiveness in such situations, particularly when there is a long history of denial or excusing of the sin. Yet the word of "revolutionary forgiveness" must be spoken, by those who can identify as fully as possible with the victim, or there is no hope. Indeed, it is the seriousness of the offence which demands a way forward, although that way of forgiveness can (as argued above) include punishment and challenge to the power balance of those involved, with a view to the rectifying justice of which forgiveness is a crucial part. Within that perspective, there will indeed be times when Christians should attend primarily to the exploitation of power imbalances rather than "focus their attention narrowly on the responsibility of the injured one to forgive"<sup>86</sup>.

Discussion of the politics of forgiveness in relation to African Americans goes back at least to Niebuhr who described their social attitudes as "compounded of genuine religious virtues of forgiveness and forbearance and a certain social inertia which derived not from religious virtue but from racial weakness"<sup>87</sup> (a weakness he thought they may have shared with "animals, children and primitive nations (who) have short memories ... (while) only highly cultured nations like France and Germany allow the accumulated resentments of the centuries to determine their present policies"<sup>88</sup>!). He saw the failure of this forbearance to soften the hearts of their oppressors as indicative of the failure of all attempts to practise the Sermon on the Mount politically - "only a religion full of romantic illusions could seek to persuade the Negro to gain justice from the white man merely by forgiving him"<sup>89</sup>.

Shriver goes beyond the paternalism of Niebuhr's words, but also stresses the readiness of black protesters (of the Martin Luther King tradition) to offer forgiveness; he adds that "white defenders of racist institutions were less ready to accept forgiveness for these long-standing sins"<sup>90</sup>. He can claim real successes for King's politics of forgiveness, but has listened more than Niebuhr to the victims' voices, particularly of recent years when repentance and reparation have been higher on the black agenda than forgiveness. He therefore says that "African Americans

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<sup>85</sup> Personal letter to the author, 1993

<sup>86</sup> Koontz, 1994, p191

<sup>87</sup> Niebuhr, 1947, p268

<sup>88</sup> Niebuhr, 1937, p105

<sup>89</sup> Niebuhr, 1937, p239

<sup>90</sup> Shriver, 1995, p193

have every right and obligation to reserve a certain portion of forgiveness in themselves for the day when that business (of reparation) has at last been tended to, that debt at last paid"<sup>91</sup>. (This debate about reparation is also, of course, a debate about the different forms of justice discussed above, asking in particular how far back we may go, and what questions may appropriately be asked, in challenging such rights as title to land.) In his discussion of reparation, and in the recognition that reconciliation and justice may be measured in terms of access to the consumer capitalism from which the black poor are still excluded, he opens the economic dimension in the discussion and in forgiveness. And he can still say that in all the dimensions of social renewal "forgiveness has a powerful place ... in its judging, empathising, revenge-refusing and reconciling work it makes new society possible"<sup>92</sup>.

McClendon also discusses a politics of forgiveness in this context, agreeing that forgiving is not forgetting. But he tells a story of a civil rights activist<sup>93</sup>, enraged at the murder of a colleague, being transformed by a fellow-Christian with the insight that both murderer and victim were sinners and that neither was irredeemably cut off from God's love. As noted above, the doctrine of original sin does not commit Christians to neutrality in conflict situations, nor exclude the preferential option for the poor: it should not therefore undermine the passion for justice, though it may orient that passion towards inclusion rather than exclusion. The activist did, as McClendon suggests, gain a deep insight, but not one that should have diminished his concern for the victims of racism or any other injustice.

Shriver also reports a great deal of serious attention to the politics of forgiveness in South Africa. At the time of writing, the Queen's visit to the "new" South Africa greets that newness as a "miracle". Indeed there are many aspects of what has happened in South Africa which can readily be seen as a miracle of liberation in which the politics of forgiveness has played a large part, notably in President Mandela's remarkable forbearance from retaliation, for the sake of a new justice in South Africa. But that is not to deny that there has been a cost, and there is still a risk in forgiveness there; the hope for the future may well depend on the depth of the shift in power and on the completeness of the process of forgiveness.

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<sup>91</sup> Shriver, 1995, p216

<sup>92</sup> Shriver, 1995, p217

<sup>93</sup> McClendon, 1988, pp237ff

### Conclusion : Towards An Economics of Forgiveness

Shriver's analysis of that process provides a helpful way of drawing together some of the threads of this discussion. "Forgiveness in a political context", he says "is an act that joins moral truth, forbearance, empathy and commitment to repair a fractured human relation", with all four elements intertwined, none having automatic priority and all coming up for repeated attention<sup>94</sup>. He describes a "long, many-sided seldom-completed process"<sup>95</sup>, in which the dimension of moral truth demands not forgetting but remembering past injustice, studying pain-filled history in detail in order to face the facts of wrong before they can be overcome. Within these strands of forgiveness, there are tensions, such as that between facing moral truth (judgment) and empathy, which often appears to require the suspension of moral judgment in order to stand with the other<sup>96</sup>, but the four must remain intertwined for forgiveness to be fully effective. That effectiveness is urgent, because "the poisoning of the present and above all of the future by the past must be interrupted"<sup>97</sup>. Therefore, forgiveness has to be more than a "tidying up" after all the real political work is done, but must be there in the pursuit of justice from the start, as it was for Zaccheus (whose forgiveness and the justice that emerged from it were at the heart of the politics of their day)<sup>98</sup>.

Two of the most promising ways of approaching this whole area lie in the exploration of the "healing of memories" being carried out not only in Ireland<sup>99</sup> but also in the USA<sup>100</sup>, and, lest that be too internal an approach, Sobrino's concept of "forgiving reality"<sup>101</sup>. He speaks, intriguingly, of forgiving the sin and forgiving the sinner: ultimately, forgiving reality means converting it, and this cannot happen without cost - "unlike other ways of eradicating sin, Christian forgiveness of reality also means taking on its weight"<sup>102</sup>. Or, as Dag Hammarskjöld put it "forgiveness breaks the chain of causality because he who 'forgives' you - out of love - takes upon himself the consequences of what you have done; forgiveness therefore always entails a sacrifice"<sup>103</sup>. Although the past cannot be undone, and "the wheel of history

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<sup>94</sup> Shriver, 1995, p9

<sup>95</sup> Shriver, 1995, p168

<sup>96</sup> Shriver, 1995, p128

<sup>97</sup> M Stohr, unpublished paper, 1988, cited by Shriver, 1995, p90

<sup>98</sup> See Torrance, 1986, pp55-7

<sup>99</sup> See Falconer, 1988, *passim*

<sup>100</sup> See Frost, 1991, p132

<sup>101</sup> In Floristan & Duquoc (eds), 1986, p45ff

<sup>102</sup> Sobrino, in Floristan & Duquoc (eds), 1986, p49

<sup>103</sup> Hammarskjöld, 1964, p163

cannot be turned back"<sup>104</sup>, forgiveness in the political realm can break the power of past injustice, and we can speak of "forgiving the past" without degenerating into sentiment or cheap grace. By recalling its reality we can (painfully) liberate the present from its power. Hinchliff is therefore misleading when he suggests that policies which increase the sense of wrong must exacerbate the situation. That sense of wrong may be the beginning of facing the facts rather than papering over cracks; only the latter is worthy of the name of forgiveness. Even resentment may be a spur towards justice that overcomes cynicism, and, so long as it is not the last word, may be part of the forgiveness dynamic, part of the honesty (both emotional and political) with which the past must be confronted in order to be overcome..

To speak of "forgiveness of reality" may also help take us beyond situations where suffering is caused by identified individuals to the realities of structural sin/injustice. However, if the conscientisation that sees beyond the individual oppressor simply leads to "understanding" the person and condemning the system, we are not yet at a social dimension of forgiveness. Most of the discussion of the politics of forgiveness in the various books cited focuses on the (often symbolic) actions of leaders with deep political significance. Such actions as Chancellor Brandt kneeling at the memorial to victims of the Warsaw ghetto uprising, or President Truman at Chapultepec in Mexico are vitally important, but could there be other political expressions of the forgiveness that seeks to remove the effect of injustice on the present and future? Such might well include the undermining of policies which claim to be the only way because they follow the unjust logic of the past.

This might take us into the economics of forgiveness - a theme not by any means alien to the Bible, conspicuously in the jubilee and its New Testament echoes, as noted in chapter three above. "Whereas in Matthew the practice of forgiveness is regarded more as a matter of the relationships of individuals, it has become in Luke more a matter of social relationships where to forgive means to release from a debt"<sup>105</sup>. And Rubio's citing here of Luke 6.37 may be a reminder that, in terms of the Biblical language at least, it is not, as Daly suggests, that the social dimension of forgiveness is deduced by analogy from the individual/personal, but that the personal/spiritual meaning is established by analogy from the economics of debt. McClendon points a way forward here when he writes that "forgiveness, with

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<sup>104</sup> Bonhoeffer, 1964, p118

<sup>105</sup> Rubio, in Floristan & Duquoc (eds), 1986, p88

its legal analogue of a pardon, while not the righting of an unfair distribution by making one pay his debt, is nevertheless a restoring of the equilibrium by cancelling the debt"<sup>106</sup>. Biblically and pragmatically, debt forgiveness can be creative of justice.

Perhaps surprisingly in the light of his restrictions on a social dimension for forgiveness, Luther argues for Christians (though not society as a whole) to give serious consideration to practising a jubilee<sup>107</sup>, and deals with a hypothetical personal debt scenario by advocating forgiveness - "if the debtor is poor and cannot afford to make restitution, and the other party is not poor, then you should let the law of love prevail and acquit the debtor"<sup>108</sup> (and this whether you are a Christian or not).

Unfortunately, the forgiveness of debt plays only a small part in Frost's book (he draws one reference from Solzhenitsyn to a Russian day of forgiveness characterised by forgiveness of debts on a Biblical model<sup>109</sup>, and another to the cancellation of some German post-Versailles debt in the build up of Nazism<sup>110</sup>). This would seem to cut off a great deal of exploration of that large part of politics that is concerned with economics and in which the language of forgiveness has some of its roots (though the language of offence and repentance may be difficult to translate into the discussion of debt).

As noted above, Shriver makes more reference to the economic dimension of justice for African Americans. He also speaks of a tendency for commercial interests to seek a policy of "forgiving and forgetting and getting on with the business of making money"<sup>111</sup>; in a way that carries echoes of Hayek's great market reconciliation, he sees economic market forces as part of the dynamic towards forgiveness, though of a less than full kind because the facts are ignored rather than being faced. Shriver also sees as part of the practical politics of forgiveness the need to wage "a new war against poverty in competition-beset, debt-ridden America"<sup>112</sup>.

But Christian reflection of a social forgiveness here has been fragmentary until the Third World debt crisis provoked many back towards the jubilee in search

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<sup>106</sup> McClendon, 1988, p224

<sup>107</sup> Luther, 1962, p308

<sup>108</sup> Luther, 1962, p127

<sup>109</sup> Frost, 1991, p14

<sup>110</sup> Frost, 1991, p24

<sup>111</sup> Shriver, 1995, p220

<sup>112</sup> Shriver, 1995, p214



of a theological response<sup>113</sup>. Some of this fruitful mining of Biblical material has already been referred to above, and has informed the argument to this point.

In a situation where the idealised model of an agreement between two free contracting parties seems implausible, some way out of the hardship inflicted on those within the debtor nations, with no prospect of the debts ever being repaid, seems to be demanded by all but the narrowest concepts of commutative / procedural justice. There are, then, strong arguments for debt cancellation, amnesty or some other forms of forgiveness, in the name and for the sake of justice. When the jubilee is taken seriously, "it is held unacceptable that debtors should be radically dependent and intolerable that they should submit"<sup>114</sup>, and the drive for continuing payment of interest (on debts the benefit of which those now paying the cost have never seen) deepens dependency.

Yet the "structural salvation" not just offered but enforced as a condition for rescheduling by the World Bank inflicts greater hardship by imposed cuts in welfare, education etc. (There seems a striking parallel here with the sacrificial system of the Temple of Jesus' day, a system of tribute undermined by Jesus' talk of forgiveness.) The purpose of these programmes is that "the salvation of the people and of the nations shall come about through binding them ever more tightly to the international market, equated to the world community"<sup>115</sup> - a market seen as all-encompassing and beyond challenge. In this context, "forgiveness" or at least a more creative rescheduling of debts, seems not only a demand of justice but a necessity; as Gorringer puts it, remission of debts may sound to some like the stuff of fairy tales, but the alternative is the stuff of apocalyptic<sup>116</sup>. It is therefore in this context, in which the debt is the defining reality of life in Central America, that Ringe looks towards developing an "illogical and impractical economy of grace and generosity which turns out to be the model that sustains life for rich and poor alike"<sup>117</sup>; that will mean working out the practicalities of forgiveness or creative rescheduling.

But there are difficulties too. The question of the cost of forgiveness is raised in the issue of who should stand the losses when debts are written off, particularly when some argue that forgiveness subsidised by the World Bank would let irresponsible lenders off the hook; many of the points made by both Hayek and

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<sup>113</sup> See Jones (ed), 1988 & 1989, and Vallely, 1990, *passim*

<sup>114</sup> Assmann, in Jones (ed), 1988, p20

<sup>115</sup> George & Sabelli, 1994, p72

<sup>116</sup> Gorringer, 1994, p141

<sup>117</sup> Ringe, 1995, p211



Marx are raised when debt cancellation is set in a wider context which prompts questions about whether the fundamental economic issues are being addressed or avoided by talk of forgiveness, and about what unforeseen consequences will emerge from tinkering with the market. Perhaps a more fundamental objection is raised by Assmann (among others) when he draws attention to the danger of a shallow forgiveness that amounts to charity in place of justice and disputes the validity of the language of forgiveness when the moral blame requires forgiveness from the opposite side to those being asked to forgive debts<sup>118</sup>. Thus, suggestions other than the forgiveness which might perpetuate the mythology of indulging lazy foreigners are made in terms which speak more clearly of justice (the repudiation of debts, or the doctrine of "odious debt" - employed as an argument in international law by the USA to avoid a colonial legacy of debt<sup>119</sup>), or of financial dealing (creative rescheduling or conciliatory default).

Yet the point of this chapter - that there are many practical expressions of the social meaning of forgiveness - is not undermined by the number of complex issues involved, nor the theological issues raised for reflection back into theological discussion. As noted above, when Meeks speaks of Third World debts which cannot be paid back, he says they should be "forgiven" but feels a need for quotation marks around the term - as does Wilkins, who prefers to speak of cancellation of debts<sup>120</sup> - as if denoting a strange new usage of the word whose primary Biblical meaning this is<sup>121</sup>. The use of forgiveness here probably does not come naturally in English today, nor is its use straightforward, but there are clearly elements in how people try to do justice in the field of international debt which echo the characteristics of forgiveness discussed here. It is by no means impossible to talk constructively about forgiveness of debts; indeed one of the creditors interviewed in chapter two spoke of having to learn this language working in the international section of a large British bank. The practical urgency of debts which simply cannot be paid and may not even be serviced, and the moral urgency of poverty entrenched by debt repayment, have forced that issue.

Rather than pursue this further in relation to Third World and international debt issues, the next step (and aim of the concluding chapter) will be to reflect this discussion back into the context outlined in the first two chapters, attempting to tie

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<sup>118</sup> Assmann, in Jones (ed), 1988, p21

<sup>119</sup> Adams, 1994, p12

<sup>120</sup> Wilkins, 1992, p180

<sup>121</sup> Meeks, 1989, p31

together the disparate threads of economic, Biblical, political and theological reflection which have been drawn out in the thesis.

## **8. Towards A Contextual Social Theology**

The task now must be to complete the circle. Having started by building a picture of an economic context, and analysing some of the attitudes and values at work within that context, the thesis then began to consider the issues which emerged there in the light of Biblical approaches rooted in a very different economic context. That Biblical reflection led clearly (and more explicitly than the contemporary discussion) to justice and forgiveness as themes of which the ways of dealing with debt were seen as paradigms. The demand of justice, in which God is known, was then explored, and found to be challenging to many of the accepted ideas which reinforce the culture of contentment. A Biblical understanding of justice as dynamic/creative, relational and embodying a "bias to the poor" emerged. Challenges to this understanding, and to the viability of the concept of social justice, from Marx and the neo-liberals, were reviewed, and some correctives to understanding accepted, but the main thrust of these critiques was rejected. The theme of forgiveness (which also emerged in the Biblical material on debt) was then considered theologically, especially in relation to justice. An approach was developed which saw forgiveness as opening the way towards justice (rather than as an alternative to it), and began to see the possibility of a social dimension of forgiveness, which was then explored in terms of a possible social reality of forgiveness.

The discussion at the end of the previous chapter of how that reality might be seen in terms of the international debt crisis almost completed the hermeneutic circle by taking the discussion back to an economic context. This last chapter must return to the specific context with which we started, seeking to reflect back into that context the ethical and theological discussion, which has tried to retain a sense of context throughout. In seeking to tie together some of the various strands of argument, letting the disparate elements question and inform each other, the impact of the context on the theological reflection will also be assessed. But the crucial question remains whether there is good news to the poor in all of this.

Since medieval times, the key words in the debates over debt have been 'fair' and 'just', "terms which (Barty-King says) the modern authors of surveys and memoranda on debtors and creditors find themselves having to resort to in every

other paragraph"<sup>1</sup>; he also notes a rearguard action by judges to preserve terms such as "fair" and "honest" against the demands of bargaining "freedom", in the sixteenth century! While the terms 'justice' and 'forgiveness' were not regularly used in the discussion of debt reported in chapter two, a sense of what is fair was clearly not far beneath the surface. Yet Hayekian theory puts severe constraints on the use of such terms in this discussion, and the judiciary of today have, as has been noted above, been less enthusiastic than their predecessors about intervening in contractual "freedom". Hayek's arguments have to be taken account of, especially in the avoidance of loose and emotive language or what Galbraith has recently referred to as a descent into theology<sup>2</sup> (or the Puritans might have referred to as the "intrusions of an antiquated morality or misconceived arguments of public policy"<sup>3</sup>); as have the aspects of Marxist theory which would see debt problems as symptomatic rather than basic, and capable only of solution once deeper problems of the economy are tackled, not by appeals to "justice".

But that is not to deny the importance of the issues of justice and forgiveness raised here. "If current patterns of consumer debt are a reflection of culture and values (and of economic policies), then any solutions that are proposed must take them into account. The Christian community must also be prepared to challenge these values (and policies)"<sup>4</sup>. There is a great weight of Biblical and theological basis for that challenge, in insights on the borrower / lender relationship, ethical reflection on usury, the meaning of debt for individuals and communities, the demand for justice and the dynamic of forgiveness; and there are challenges in the above analysis to Biblical and theological understandings of both justice and forgiveness. So there is scope for mutually helpful dialogue, rooted in the experience of injustice by many debtors and the need for radical measures to prevent problems spiralling.

### Debt in Christian Ethics

A thesis in Christian ethics must be cautious in advancing into any field armed with moral judgments, not least because of the sense revealed in the interviews in chapter two that matters of "right and wrong" have to do with judging individuals (and most often with blaming the victim). That sense, allied to the pluralism that finds no shared basis for making moral judgments, may render such

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<sup>1</sup> Barty-King, 1991, p2

<sup>2</sup> As reported in *The Guardian*, 25-11-92

<sup>3</sup> Tawney, 1926, p236/7

<sup>4</sup> Jubilee Policy Group, 1991, p27

an ethical approach unfashionable. The authors of the recent Rowntree Report, for example, eschew interest in morality, in favour of analysing the "social effects ... accumulation of problems ... and economic costs"<sup>5</sup>. That may well echo Marx's claim to analyse exploitation without judging it an injustice, but the case of this thesis is that such analysis is a major part of what Christian ethics is about. Indeed that analysis may help save ethics from being as ineffectual as Marx deemed, or as destructive as Hayek reckoned.

Yet moral judgments, however sharpened, are not enough. The force of those who wish to concentrate on doing what they can with the situation that presents itself, without wasting time on judging whose fault caused the problem, must be accepted. Such "hospital" approaches to debt are particularly attractive to Christians, for whom being "part of the process of doing something to alleviate the human misery debt causes"<sup>6</sup> seems a clear response to the "go and do likewise" with which the parable of the Good Samaritan ends. Thus Tondeur stresses at the outset of his book that "if you are in debt it is probably not your fault !"<sup>7</sup>, and goes on to offer analysis of the likely causes of debt in terms of unemployment, advertising pressures, and lack of education in budgeting etc; but his solution is a "simple yet infallible budgeting method"<sup>8</sup>. Clearly what he, like most debt counsellors, offers is of far more immediate relevance to many individual debtors than either structural economic analysis or impressive moral sentiments about justice and forgiveness. But there are two points of conflict with the "justice" approach taken here. The suggestion that better budgeting is the answer can easily slide into an implication that budgeting failure caused the problem (as well as leaving underlying problems of chronic low income untouched), and the individualism of this approach (which fits readily, as we have seen, with an individualist theology) restricts its value in dealing with the structural economic problems within which debt arises.

It is indeed "how we deal with people" that matters, but that cannot be purely with people as isolated individuals or consumers, but with persons in relation, people in the variety of relationships that make up communities. That has been a consistent and insistent theme of this thesis. It was people in relationships that got into debt and dealt with their debts; the Bible dealt with debt as a relationship and a community problem; Biblical justice was, crucially, relational, and forgiveness had

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<sup>5</sup> Rowntree, 1994, p8

<sup>6</sup> Tondeur, 1994, p11

<sup>7</sup> Tondeur, 1994, p11

<sup>8</sup> Tondeur, 1994, p26/7

to do with renewing relationships and community. From Hayek, we learned not to be sentimental or nostalgic about relationships, particularly about informal, face-to-face relationships which, in the context of debt and the door-to-door moneylender, can be even more exploitative and manipulative than the more formal contractual relationships of the market. But a concern for justice in relationships must take account of the realities of power and cannot assume contractual agreement to be the sole substance of a relationship. Nor can it rest content with the contingent relationship which excludes from the proper concern of the creditor, or "society" in the form of the courts, the real situation of the debtor; again, an abstraction (such as concentration solely on the terms of a contract) cannot tell the whole story.

The value of an individualist approach, however, may be seen as stressing personal responsibility, again perhaps attractive to Christians who would see personal responsibility to God as at the heart of ethics, and certainly a major factor found operating in responses to credit and debt (especially among those not directly involved in dealing with debt problems). Clearly this is (not only for Christians) an important moral value, of particular relevance to this context; without some sense of personal responsibility to reinforce legal constraints the market cannot work (if every debt has to be enforced in court, the system breaks down). Some (like Hayek) would go further, and argue that the tendency to blame "society" undermines this sense of personal responsibility, providing excuses to avoid meeting one's obligations and ultimately destroying individual self-respect by encouraging dependency (as Weyer has argued<sup>9</sup>). Similar concerns for personal responsibility may underline the unpopularity of "social work" oriented solutions, although, paradoxically, these approaches may also be individualist in seeing help (albeit of a paternalistic nature) to the individual debtor as the key response.

But "blaming society" as a means of avoiding responsibility (which may indeed be as pointless as we have found the opposite tendency, blaming the victim) need not be the same as recognising that sin can be structural as well as personal. The analysis of justice, starting from the experience of injustice, was not fundamentally undermined by Hayek's refusal to recognise injustice without a personal cause. There are economic policies and structures which can be foreseen to result in debt problems for some; that many are effectively trapped in chronic low income with the same choice between a severely curtailed lifestyle of hardship and

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<sup>9</sup> Weyer, 1994, *passim*



the vicious circle of debt as Oakman found in first century Palestine<sup>10</sup> cries out for the remedy of a rectifying justice, and the provision of Social Fund loans with repayments deducted from the benefits that are already designed to provide a bare minimum seems more likely to encourage despair (and/or resort to the loan-shark) than to enhance self-respect. A recognition of structural (original?) sin must, therefore, not stop at "blaming society".

Another common dimension of Christian approaches to credit and debt is a distrust of, or hostility towards, "consumerism". This may stem from the tenth commandment, recognising covetousness or greed as the basis of Western consumer society, and was found in the "almost moral suggestion that credit is a 'bad thing' in its own right - at about the level of soft porn"<sup>11</sup>. Yet Cameron has noted the integration of debt with modern consumer capitalism, viewing the encouragement of debt as a by-product of the push for consumption-led growth in the economy<sup>12</sup>, and there is a deeper critique of consumer society than Berthoud's slightly mocking caricature might suggest. Christians cannot rest content with what Marcuse strikingly called "one-dimensional man", and there are other values to be cherished than market values, not only by Christians. What remains as a serious issue is the extent to which reservations about consumer society might lead to restricting access to it, especially for those most vulnerable to its pressures. Thus Shriver cites Shockley, a black American pastor as arguing that, while exclusion from consumer capitalism is the biggest problem facing African Americans today, access to consumption must be balanced by a challenge to the ideology that life consists in owning things<sup>13</sup>. That balancing is difficult. We may recoil from the opinion brazenly-expressed (by a university professor) that "if you die in debt, you've made a profit"<sup>14</sup>, but that may not justify denying access to the credit market for the single mother to enable her to buy her children trainers with playground credibility. Nor may the professor's remark be any more indicative of materialism than the thinking of the elderly person who lives in hardship in order to be able to "leave something". The contention of this thesis is that a justice perspective will help to sort out some of these dilemmas<sup>15</sup>.

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<sup>10</sup> Oakman, 1986, p80

<sup>11</sup> Berthoud, 1989, p16

<sup>12</sup> Cameron, 1994, p217/8

<sup>13</sup> Shriver, 1995, p212

<sup>14</sup> Reported by Rowlingson & Kempson, 1994, p26

<sup>15</sup> See further below, on participation/exclusion/access, and on freedom

So, too, with money. Whether in cash form (ironically currently displaying on £10 notes the face of Sir Walter Scott who spent a large part of his life in debt!), or in plastic or other credit form, money may be seen as the root of all evil fuelling greed, as morally neutral (ie simply as a means of exchange), or as positive evidence of divine favour, reward for efficient hard work, and resource for meeting one's own needs and those of others (eg the argument that the Samaritan could only ensure continued care for the victim by having the money to pay the innkeeper). Too often the first perspective has gone along with the idea that money was too dangerous to be trusted to the poorest (whose poverty becomes evidence of inability to manage money properly), while the rich can cope with its burdens. Galbraith's comment about the egalitarian function of credit enabling the man with no money to participate in the economy almost on a par with the one who has, especially where the granting of credit is relatively casual and unrestricted<sup>16</sup>, is a powerful counter to this, as to any view which sees the restriction of credit as the answer to debt problems. Again, a justice perspective will help clarify thinking here.

Does faith, then, have any relevance to debt? There is a profound challenge to the church in the finding above that faith (at least as reflected in church involvement) does not appear to influence values here, yet the Biblical investigation suggested that not only was personal help to the (poor) debtor demanded, but structural changes on the Jubilee paradigm too. Spiritualising and individualising tendencies in theology were found to distance faith from such material concerns, and to comfort the contented, but the social theology developed here has profound significance for debt and responses to it. As is already clear, Christian ethical concern naturally focuses on values and attitudes, and the investigation of values in chapters one and two suggested that, although people were not consciously bringing to bear a coherent ethical standpoint so much as responding to particular people and situations, values embodied in attitudes, perceptions and ultimately public policies are important, whether explicit or not. Indeed, camouflaged values (based on untested stereotypes) may be particularly dangerous; as noted above, it is who is seen as the typical debtor that has influenced policy in such fields as bankruptcy in both Scotland and the USA in recent years.

Therefore, clear thinking about values may be seen as important. Yet the view of Christian ethics or engagement taken here is not simply a matter of arriving at principles of conduct and then consistently applying them. As Krusche has

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<sup>16</sup> Galbraith, 1975, p79/80

argued, there is a sense in which "the church does not think, speak and act on principles but judges much more by the Spirit"<sup>17</sup> (the Spirit which speaks through events as well as through the Bible and Christian tradition). Thus, as we found in discussing Miranda, the fact that God is known in the demand of justice, which is therefore transcendent, makes it difficult (perhaps impossible) to go on to "define" justice without lapsing into idolatry. Precision of thinking may therefore be a two-edged sword. But we do have to think hard (as this thesis has tried to do) about how we respond to God in the demand of justice in particular contexts, while being especially wary at this concluding stage of generalising towards a Christian blueprint. A useful contribution to dialogue and to action may be a more appropriate, if less ambitious sounding aim.

### Debt and Poverty

Perceptions of the relationship between debt and poverty may well depend on where one starts from. Analyses of mortgage default, as noted, showed a sudden drop in income, or marriage breakdown, as "typical" causes, whereas fuel debt and rent arrears were more closely linked to chronic low income; reviews of total credit default showed many debtors (often with the biggest debts) who were not in any recognised sense "poor"; much-publicised credit card "junkies" or recidivist bankrupts (whose stories may have more to them than meets the media's eye) were unlikely to be in chronic poverty, particularly since the poorest are denied access to such credit. Yet the research found not only a substantial proportion of those on long-term benefit facing debt problems which, while in amount less than that of many mortgage defaulters, nonetheless represented a vicious circle from which escape seemed impossible, but also many others struggling to survive near the borderlines - some praised for self- (and family-) denial in order to avoid debt, others condemned as poor managers for failing to juggle bills successfully or to make sufficient adjustments to "make ends meet". Even among credit card defaulters, there was little evidence of either fecklessness or recklessness as major causes<sup>18</sup>. Among those struggling to make ends meet, Kempson found four scenarios - those just keeping their heads above water, those sinking into arrears, those struggling back to the surface, and those drowning in debt with little prospect of things changing<sup>19</sup>. It was here (in all four of Kempson's scenarios) that credit - often

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<sup>17</sup> Krusche & Moltmann, 1987, p31

<sup>18</sup> Rowlingson & Kempson, 1994, p64

<sup>19</sup> Kempson (and others), 1994, p264

at high interest rates, "justified" by the high risks to the lender - operated as an inadequate sticking plaster to the wounds of chronic low income.

Perspective also, of course, depends on who is talking. "Bystanders" may easily be tempted to judge from the sidelines on what appears in the media; debt may be a major "problem area" for many creditors, but it only rarely involves their whole lives; even advisers with a deep concern for the plight of most of those they encounter still speak from personal security; for many debtors, the problem is all-consuming and infects every aspect of life and relationships. On that basis, with Shriver and many liberation theologians, we may accord them the "epistemic privilege" of the victim<sup>20</sup>, paying special attention to what they say and feel, and seeking to reflect a solidarity with them in what we say. Yet the interviews and questionnaires did not produce as clearly different a perspective as might have been expected, although the extent of "internalising" media criticism and the effect of hopelessness on reducing expectations (eg of release from debts) may be seen as playing a part in this. Clearly an understanding of the problems (and ingenuity) of making ends meet is demanded, and is too often missing from the comments of those who see consumer education and the effective communication of the meaning of APR as a panacea.

But what difference might a justice framework mean to this discussion? Certainly many of the debtors had a strong sense of unfairness, not readily or specifically articulated but deeply felt. Of course, not all theories of justice would recognise poverty as injustice, but the vicious circles which trap people in debt seem to argue as forcibly as in the Old Testament for a remedy in the name of justice. Even if we have left "command" economics behind, the Hayekian terminology of losers in the market game learning how to play more efficiently seems inappropriate, as even does the language of "casualties" in the market, when the effects are foreseeable and avoidable.

Crucially, credit and debt gave clear indications of how, in reality rather than theory, markets work, with most restrictions removed. We found at least two credit markets, with access to one denied in practice to many of those in most need; for credit, as for other things, the poor pay more; the "prices", ie interest rates are predominantly determined by the speculators (whose stake in the currency markets has gone from 10% to 90% in twenty years<sup>21</sup>); interest payments work

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<sup>20</sup> Shriver, 1995, p102

<sup>21</sup> Commission on Social Justice, 1994, p65

internationally and nationally as a systematic transfer of wealth from poorest to richest, entrenching dependency<sup>22</sup>; and all of these tendencies have become more pronounced as markets have been freed. Efficiency, as ensured by these markets, seems not so much, as Adam Smith claimed, ensuring that resources go to those who can make best use of them, but ensuring that the rich get richer and the poor poorer.

The autonomy claimed for, and largely awarded to, economics as a science and markets as the achievement (or evolution) of that science is perhaps unique to modern market societies, although Tawney traces this "separation of economic from ethical interests" back to the Puritans<sup>23</sup>. It is certainly, as we have seen, a dramatic difference from the Biblical "embedded" economies. Churches and governments indeed have a lot to be humble about, in relation to failures of attempts at planning for change in economies, and must not attempt to defy gravity in the form of economic "laws". But markets are neither as natural nor as value-free as Hayek and others claim - "markets (for labour, for finance, for goods and services) are not created by natural or divine forces; they are the product of the values, institutions, regulations and political decisions that govern them ... their structures govern their outcome"<sup>24</sup>, and, when that outcome is as we have found here, the structures can be immune neither from scrutiny nor the demands of justice. In that sense, then, markets may need to be embedded (or their embedding in ideology recognised) again; it is not "inevitable that economics dominates politics and that the financial markets dominate economics"<sup>25</sup>.

The use of the word "outcome" signals a conflict with Hayek, whose argument, as we have seen, is that if we let the market mechanisms work freely, we can safely leave outcomes to the operation of the mechanism; in parallel, we should let the world of contracts work freely and leave their outcomes to the working out of what parties have agreed, which is the only way of reflecting both their wishes. As soon as outcomes of debt problems are considered, however, this seems an article of (often misplaced) faith rather than a practical policy. That a desperate debtor agrees to a "buy-out" loan at interest rates over 50% leads to an outcome that only represents his wishes in a very circumscribed situation, exploited by the moneylender. Only the state can redress the bargaining imbalance which the

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<sup>22</sup> Robertson, 1990, p131

<sup>23</sup> Tawney, 1926, p225, 237 and passim

<sup>24</sup> Commission on Social Justice, 1994, p98

<sup>25</sup> Jenkins, 1994, p11 (posing this inevitability as a starting point for theological reflection)



contract perpetuates and exacerbates, by specific interventions or by adjusting the rules of market operation.

Yet Hayek is right to point to the problems of attempting to adjust the workings of markets, not least because of the necessary limitations of knowledge. And Marx is right to warn of the futility of dealing with symptoms (in the area of distribution) rather than causes (in the area of production). Debt may well be seen as symptomatic of deeper problems of poverty, when the "sticking plaster" of credit is painfully removed, and dealing with symptoms (while having immediate value) may leave causes untouched.

### The Meaning of Justice in This Context

The Biblical understanding of justice, which began from the jubilee, demands intervention when the outcome of the market is spiralling debt. One reading of the functioning of the jubilee was that its purpose was to re-establish the autonomy of individuals or families, by giving them the wherewithal (land, etc) to participate fully in the community again. For the neo-liberals, however, autonomy (or freedom) has nothing to do with the "wherewithal", or with ability to do anything; rather it has to do with absence of coercion, by individuals or by the state. It was in the name of this freedom that restrictions on the credit market were progressively removed, treating people as adults in the terms of the Crowther Report<sup>26</sup>. Yet we have seen that some (such as the Jubilee Group) view debt problems as sufficiently serious (undoubtedly more so than Crowther ever envisaged) to justify reversing this trend and find ways of restricting credit availability.

The National Consumer Council proposal that agreements not preceded by credit checking should be unenforceable at law (a modified form of which in the questionnaire received strong support, though some debtors had reservations about intrusive questions) seeks to adjust the framework in which the market operates, assuming that some are being tempted beyond their means and therefore wishing to restrict their freedom or access to credit. Others would argue that the market itself will correct (and to some extent has corrected) unrealistic credit bargains without adjustment to the legal framework. The latter approach, however, makes the remedy depend heavily on the supply side of the credit market, because encouragement of borrowing is a result of supply exceeding demand. Both seem to assume that

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<sup>26</sup> See chapter 1 above



temptation and the inability of some to handle credit are the major causes of debt, and that freedom, both in terms of market access and of privacy regarding credit checking, may be curtailed in order to prevent this. But it is hard to see why the consumer denied credit by "market forces" should be deemed free while one denied by government policy should be seen as subject to coercion.

Marx is surely right in his understanding of freedom as involving ability; in this economic context, the key issues here are participation / access to the market and whether some basic human needs must be met before we can talk meaningfully of freedom. Both a justice-oriented and a freedom-oriented ethic seem to suggest a presumption that access to the market should be available to all. Indeed, Hayek's case was found to assume greater ease of entry to and exit from the market than exists in practice, largely because of the assumption that access is free if there are no legal restrictions. But the value of this "freedom" seems undermined by its divorce from ability. Justice, like Marxist freedom, demands a real possibility of participation, and from this perspective the "balancing" referred to earlier in this chapter between access and hostility to consumerism cannot become a denial of access to the weaker brethren when those strong enough to withstand temptation (or rich enough to pay the bill) remain free to choose. Indeed the urgency rightly felt by many commentators is to find ways of making cheap credit available to those who need it most, when the market leads to greater and greater areas of exclusion where "there is simply no economy - no banks, no shops, no work"<sup>27</sup>.

It is here that credit unions (which have been a focus of Christian involvement in this area) may be seen as having a role to play, contributing to the participation that is an essential dimension of justice. Although the reservations expressed above about their limited value for the poorest, who cannot afford to contribute, mean that they may not be seen as a panacea, they may fill an important gap vacated by the credit market.

Rectifying justice, we discovered, seeks to re-establish people as active participants in a community<sup>28</sup>; it cannot seek to save them from themselves by denying access to what they might covet. And that re-establishing will, on the jubilee model, involve meeting the basic needs for participation, as indeed the questionnaire results found most people agreeing. Both these results and the practice of money advice recognise that basic needs must take priority over payment of

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<sup>27</sup> Commission on Social Justice, 1994, p81

<sup>28</sup> Mott, 1993, p81

debts. Although precise definition of this is clearly problematic, it does suggest a serious deficiency in the neo-liberal visions of freedom and justice.

As well as providing a paradigm of how markets work, therefore, debt also shows up the differences between different understandings of justice, and, we found, the inadequacy of a purely procedural or commutative justice. For Hayek, the core of justice is procedural; if a credit bargain is properly made, it is meaningless to inquire about the "justice" of its result. Behind this, we found the concern that extensions of "justice" to deal with, and rectify, outcomes involves breach of the basic principle of treating like cases alike (which we found to be less straightforward than might seem). Certainly, inconsistency was one of the dimensions of unfairness recognised by debtors and others, but too much hangs on defining "like cases" to make Hayek's argument conclusive. Even current consumer law sufficiently recognises, we discovered, the discrepancies of bargaining power as to accept the possibility that an agreement properly contracted may still be set aside as "extortionate".

Yet Hayek invests such contracts with a mystique of "reconciliation", and there is a real sense in which the myriad transactions of the market achieve at least a temporary reconciliation of the various interests. Strikingly, Shriver found the pressure to get on with the business of trade a major factor in building the politics of forgiveness - the market cannot afford a long "stand-off" between enemies. But he recognises that there is more than the limited pact of a contract involved in reconciliation. And, as crucially demonstrated by the success of loan sharks, this "reconciliation" may simply mean that the powerless accept what the powerful offer, in order simply to survive.

We also found Marx sceptical (to say the least) of the use of a concept of justice as more than a test of the internal logic of a system. In that sense it may well serve to make clearer the internal contradictions of the system, as, for example, we found surfacing in the confusing signals sent to defaulting credit cardholders who were offered new loans alongside notices of default<sup>29</sup>; consumer credit operates as a major engine of the economy yet also produces in debt problems a major source of concern for individuals and for the economy as a whole. But it is when we come to the possibility of a concept of social justice furnishing an external demand that Marx allows less validity in the concept. If justice is defined by the same system which sets the market framework, the market will inevitably be "just", except when

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<sup>29</sup> Rowlingson & Kempson, 1994, p48

self-contradictions emerge. As we found, the problem of justice as external demand or critique is where that can come from. If from "another world" (whether a past society such as that of the Biblical period, or a future, communist society, or the kingdom of God), then Marx derides its effectiveness. Clearly there is some force in this, but what we found in terms of credit and debt was a deep sense of injustice or unfairness developed among those most closely involved and operating in fact as a critique, at several points, of the way the market operates, albeit one which was more reluctant than the Christian understanding of justice worked out here was to identify structural causes of debt.

If the Biblical understanding was, as we discovered, developed as a response to God in a context of debt and poverty, can such an understanding not be developed in today's context, drawing on the insights of the Biblical and theological tradition? A crucial insight here was the relational understanding of justice, ie not only is justice concerned with people in relationship to each other but justice is concerned with the quality of these relationships. That is not to say that "the values of face-to-faceness" are to be applied to the "extended order ... of complex large scale societies and markets"<sup>30</sup>, or that Biblical justice is blind to the manipulative dimensions of informal relationships we found in doorstep credit. But justice attends to the exploitative nature of relationships in the credit market as elsewhere, as well as recognising that market relations are neither the only ones possible, nor the only viable model for relationships. We have more to do with each other than to make money from each other, and the concern of justice is with humanising all relationships, not only those easily described as "personal".

The Biblical understanding of justice developed especially in chapter four contrasted with the blind, balancing goddess of the traditional Western image of justice, adjudicating after the event. Biblical justice was justice from below, rooted in the experience of God in the lives of the poor, with a "bias to the poor" rather than the even-handedness which was central to the procedural understanding and was found to perpetuate injustice. That means that the problems of those trapped in the vicious circle of debt and poverty must be the starting point, and are not to be written off as the relatively small proportion of the credit market where problems emerge.

Biblical justice was pro-active, interventionist, rectifying, creative, dynamic; its purpose not to evaluate but to change. This is perhaps a crucial Christian

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<sup>30</sup> Jenkins, 1994, p4

dimension, one way in which a Biblical understanding cannot rest content with "justice as fairness". The parable of the labourers in the vineyard seemed to point in another direction; as Oakman puts it, Jesus "undercuts the prevailing order based on a strict quid-pro-quo and a self-sufficient household economy ... 'justice' preserves these assumptions"<sup>31</sup>. However, it is not simply that a different standard of justice is introduced which undermines the "ruthless accounting of debts"<sup>32</sup> (especially if this is seen as a return to the values of a simpler, smaller-scale community). Justice is the activity of God rectifying injustice, and demanding our involvement in the divine "project"<sup>33</sup>.

It was in this creative understanding of justice that we found its disjunction from love untenable, as reducing justice to the "quid-pro-quo" and love to sentiment. Justice, like love, is partial, and justice, like love, seeks the welfare of others. In the context of debt, then, it is not a matter of judging rights and wrongs but of remedying injustice, recognising that an ultimate state of perfect justice will not be achieved but dealing as the jubilee did with the injustices which emerge. And this brings justice into close relationship with liberation and with forgiveness.

#### Justice, Liberation and Forgiveness of Debts

Just as "the debt" is characterised by Ringe as the basic fact of life in Central America<sup>34</sup>, so debt for many in Britain is the encompassing determinant of life, the trap from which they desperately seek liberation. For Christians, then, liberation must be at least three-dimensional - socio-political, spiritual and "personal"<sup>35</sup>. And part of what liberation means is release from the sins and the sinful structures that entrap us. Forgiveness, then, is a major dimension of the Christian response to sin (or way to overcome sin), not by ignoring or excusing sin but by confronting it, as the way toward justice or, rather, part of the dynamic of justice, preserving the crucial dimension of hope.

We found Shriver's work along these lines toward an "ethic for enemies" helpful in taking forgiveness beyond the individual, psychological dimension. He suggested four elements of forgiveness - moral truth, forbearance, empathy and commitment to repair fractured relations. How do these relate to debt? Moral truth - the element which distances forgiving from forgetting and distinguishes forgiveness

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<sup>31</sup> Oakman, 1986, p165

<sup>32</sup> Oakman, 1986, p215

<sup>33</sup> Ringe, 1995, p201, using the term as an alternative to "the kingdom of God"

<sup>34</sup> Ringe, 1995, p201

<sup>35</sup> Gutierrez cited in chapter 7 n67

from tolerance - means facing the facts; that means avoiding sanctifying debtors or creditors, examining the situation carefully without reconstructing it to fit a formula, and accepting that what has been done has been done. Forbearance - the element which seems to contradict justice - means rejecting the quid-pro-quo as the final solution, rejecting the payment of contractual debts as conclusive of justice. Empathy demands an understanding of the other's situation and perspective, humanising the scenario without sentimentalising it, and recognising the debtor as person and part of the community. And commitment to repair fractured relations takes us back toward the perspective of relational justice and justice as re-establishment within the community; it therefore looks to the possibility of the "rehabilitation" of the debtor as participant in market and community. Forgiveness, along these lines, will be a process in which these elements interact, and a process requiring more and better communication between creditor than we found happening when problems arise; anything, legal or informal, which can develop that negotiation will, as Shriver says in a different, political context, "facilitate the discovery of genuine justice"<sup>36</sup>.

But the discussion above of the social reality of forgiveness has pointed to areas of difficulty here. Concerns about cheap grace translate into the problems of forgiveness as a formula or a policy. McClendon may go too far in saying that "it is just the belief that its frequent use will increase violations that disqualifies pardon as the usual remedy for offences"<sup>37</sup>, but it is a profound theological as well as practical concern that recognises that cheapened grace is literally devalued and will be exploited. That certainly has been seen as the scenario of bankruptcy made accessible - "it may well be socially desirable to provide easier ways for those beyond hope of recovery to walk away and start again, but the easier the system, the more likely it is to be abused"<sup>38</sup> - and any system which makes room for forgiveness opens up a risk. But is that risk more serious than what is happening within the vicious circle?

Along with the "risk" factor goes the possibility that forgiveness is a papering-over of cracks, leaving exploitative relationships intact and power balances undisturbed. That has been the sad experience when calls to forgive in situations of abuse have sent battered wives back to further violence. If repentance is neither a condition for nor a guaranteed result of forgiveness, and forgiveness is kept distant

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<sup>36</sup> Shriver, 1995, p32

<sup>37</sup> McClendon, 1988, p224

<sup>38</sup> Weyer, 1994, p10



from restorative justice, we seem to be back with cheap grace. Forgiveness which is not oriented toward change is just that, but forgiveness which is part of the dynamic of justice (seeking repentance without guaranteeing it, and challenging structures and powers) is more. Debt forgiveness can therefore be more than a new "sticking plaster" on poverty; it may be a "necessary first step toward God's project of justice and peace"<sup>39</sup>.

The cost of such forgiveness is not to be ignored either, but the real question is who pays it. It is the individualism of our current thinking which "throws the social and economic risks of credit on creditors and debtors rather than on society at large"<sup>40</sup> (although, as we have seen there are costs to society in bad debt which may be harder to measure, at least in economic terms). We may be content with the burden of default falling on the irresponsible lender, or the loan shark, but less so if the creditor may feel the pain of default as acutely as the debtor feels his problems. The perspective adopted here pushes us towards some way in which the cost of forgiveness, of releasing those without hope from the spiral of debt, may be shared within the community (which, we have seen, may have a crucial role in forgiveness).

But there is a greater problem, already noted in the context of Third World debt, with the appropriateness of the language of forgiveness when we may feel that the debtor is free of blame (and even that the creditor / forgiver carries a greater share of any blame). Not only may debt "forgiveness" carry connotations of judgments that are inappropriate, but the language may be seen as belonging to and indeed perpetuating a hierarchy in which the debtor's lower place is ensured more completely by being "let off" than if he sought equality by paying his debts<sup>41</sup>. Although it might be argued that the theology of original sin in which forgiveness is Biblically rooted may free it from some of the focus on individual blame, there is no doubt that there is a real difficulty here, of language at least. One issue is whether the language and realisation of forgiveness reinforce the low self-esteem of the debtor, or whether debt forgiveness may in fact renew a sense of responsibility, as Ringe has suggested as a possible interpretation of Matthew 18.21-35<sup>42</sup>.

While Shriver's "moral truth" may have, inescapably, a dimension of judgment on injustice which must not be evaded or glossed over, the Biblically- and theologically-rooted understanding of forgiveness has at its heart not individual guilt

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<sup>39</sup> Ringe, 1995, p209

<sup>40</sup> Sullivan (and others), 1989, p341

<sup>41</sup> Heller, 1987, p13

<sup>42</sup> Ringe, 1995, p210



and blame but release from the tyranny of the past, its poisoning of the future by means of the perpetuation of injustice, thus we can speak of "forgiving reality" or of tackling sinful structures by forgiveness. For that, the analysis of spiralling debt has set the urgency of an agenda that has to find a way to break out of the vicious circles defined by these structures. It is ironic that a culture which finds it easy to release people from the commitment of marriage (or at least is increasingly reluctant to hold people securely bound to that), finds it very much harder to release them from the financial commitments which have become debt problems<sup>43</sup>. Perhaps it says something about which kind of commitments are at the heart of what that community is about; it certainly reflects what Hayek has to say about the centrality of market transactions.

In economic terms, what does the social embodiment of forgiveness look like? What might it mean to talk of forgiving economic realities and structures? To talk in such terms may, as noted in other contexts, seem like evasion of the demand for justice; indeed, it would be so if it merely means tolerating the economic structures which produce paralysing debt, or declining to challenge the policies of banks and other financial institutions. But forgiveness may be the most profound challenge, and the most effective route towards justice. Especially where the injustice is current, or currently controversial, forgiving a sinful reality and its structures may shake the economic thinking that assures both the comfortable and the suffering that there is no alternative.

An economics of grace is a profound challenge to the ideology of market society. Forgiveness seen as determination to break the power of the sins of the past on the present and future runs directly contrary to neo-liberal contract-centred justice: as Oakman again puts it, "if God's justice and forgiveness disrupt human standards of justice, so much more is this the case with human notions of economics"<sup>44</sup>. For that very reason, it sounds implausible, dangerously impractical and disruptive of the market that we are told has served us well. Disruptive certainly, and dangerous too if it does not face the facts, but Ringe is right to suggest that "imagination constrained by the institutions of the powerful may need to be set free by the wisdom of the poor", posing theological and economic questions from a context "invisible to those who presume on its benefits" and discovering "the

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<sup>43</sup> *Aphesis*, in the New Testament, describes both kinds of release

<sup>44</sup> Oakman, 1986, p166

illogical and impractical economy of grace and generosity (which) turns out to be the model that sustains life for rich and poor alike"<sup>45</sup>.

All of that seems some distance from the economic realities assessed early in this thesis, and beyond the hopes or expectations of the debtors interviewed. So, largely, was any mechanism of release from debt - the values of the system apparently internalised in curtailed expectations. Are there any signs, within or at the edges of the system, of debt-release accepted at least as a pragmatic necessity (in a context in which we have found massive amounts of debt are annually written off without apparently creating an expectation of debt release, at least among the poorest)? Bankruptcy (a legal device with possible "moral and cultural" roots in the Biblical jubilee<sup>46</sup> and in the sanctuary offered by the Church to the debtors of past generations) has been seen as offering a "way out", whose chief selling point is the possibility of new life. It is a dramatic understatement to say that the Biblical standard of mercy is not achieved by current bankruptcy law<sup>47</sup> (and the recent changes may be seen to have taken us further from that), but it is the element in the system which looks through forgiveness to rehabilitation and justice (albeit very conditionally)<sup>48</sup>.

Of course, there are problems in developing this. As already noted, structured or routinised forgiveness can become a matter for calculated avoidance of justice; bankruptcy is a highly conditional form of forgiveness (and, as we found above, hedging forgiveness with conditions in order to squeeze it into the political or economic sphere may rob it of its power); forgiveness always costs and bankruptcy law places that financial cost almost wholly on the creditor, while inflicting pain and restrictions on the debtor with a clear message that this is someone not to be trusted; the practicalities of access to bankruptcy are subject to the market forces in fees which encourage or deter professionals whose assistance is necessary; and the language of forgiveness may not be appropriate where the debtor is not seen to be at fault. Yet there is a recognition here that the market system needs some "give" in its joints<sup>49</sup>, and that creditor, debtor and community all have an interest in restoring the debtor to active participation in both market and community.

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<sup>45</sup> Ringe, 1995, p210f

<sup>46</sup> Sullivan and others, 1989, p4

<sup>47</sup> Hartropp, 1987, p123

<sup>48</sup> Ashley, 1983, p194

<sup>49</sup> Sullivan and others, 1989, p334

In bankruptcy, then, the glimpses of forgiveness may be seen as pointing towards creative justice. The discussion of international debt and its impact on the poor of the Third World showed that there were other options there, and other language perhaps more appropriate - debt cancellation, conciliatory default, repudiation, rescheduling etc - some of which carry much of this force of "forgiveness" without the moral overtone, while others serve as reminders that the language of justice has a place here too, since debt problems are not all to be solved by negotiation if the (legal) justice of the debt is disputed. The structural adjustment programmes imposed by the World Bank as conditions even of debt rescheduling may have their parallels in the conditions attached to Social Fund loans, and in the restrictions placed on bankrupts; these share a concern to bind people into the rules of the market without offering the wherewithal to participate. In either sphere, the gap between the "structural salvation"<sup>50</sup> prescribed by the World Bank and Ringe's economics of grace, or between bankruptcy and the forgiveness that opens the way to justice, seems great. Yet it is in that gap that the dialogue must take place.

### Concluding Theological Reflection

That does not mean accepting a devalued form of forgiveness, or of justice, in order to fit a theological notion into a resistant reality. The economic context considered here is a crucial venue for God's project, not simply for thinking but for action too. The Christian tradition of centuries of resistance to usury, of attempts to establish pawnshops to mitigate the effects of poverty, of sanctuary for debtors and, more recently, of building up credit unions belongs within that project and its horizons of social justice and forgiveness. What has been argued here may provide resources for continuing that tradition, challenging the Church to find new forms of jubilee or of sanctuary appropriate in a current context where many desperately need renewal or respite. In that context, debt is not the "social dynamite"<sup>51</sup> it might seem because it is regarded as the unplanned outcome of the operation of a credit market that is central to the economy, unfortunate but not "unjust" and therefore not requiring more than first aid to the casualties. What may be more in the nature of dynamite to the structure of a system that too often turns a blind eye to its own outcomes (or a judgmental eye to its victims) would be new forms of the jubilee or new embodiments of the jubilee justice that operates through debt forgiveness.

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<sup>50</sup> George & Sabelli, 1994, p58

<sup>51</sup> Sullivan and others, 1989, p334

That dynamite is not a theological bombshell dropped from on high into the economy; it must be worked out *within* that context, in the dialogue to which this thesis is a contribution. And that must also be reflected back into theological thinking. Just as Tawney traced the failure of the Puritans to build an adequate ethical basis for economic activity, "like all failures which are significant, (to) the soul of Puritanism itself"<sup>52</sup>, ethical thinking in this context has asked questions of theology; the "boundaries of our (theological) thinking" are indeed broken open in this process<sup>53</sup>, particularly the boundaries set by individualism, by the spiritualising tendency to escape from the material significance of the Biblical tradition, and by the separation of divine from human forgiveness and justice. We have rediscovered the full meaning of the justification that is as effective in the material, social world as in the spiritual realm. We have had to renew acquaintance with Bonhoeffer's "cheap grace", and found new significance in it; we may also have rediscovered a distinctively Christian way of confronting and overcoming evil<sup>54</sup>, translated not into a completely new or foreign context, but back into an original one.

For once, Bonhoeffer's theology seems to stop too soon, at the cross, when he says that "the wheel of history cannot be turned back"<sup>55</sup>; in the struggle to resist injustice, that is only half the truth, and leaves the trapped debtor with little hope. For the problems, mistakes and injustices of the past to be overcome demands engagement with precisely the theological question with which Edwin Muir wrestles

"Then how do I stand?  
 How can I here remake what there made me  
 And makes and remakes me still?  
 Set a new mark? Circumvent history?  
 Nothing comes of history but history,  
 The stationary storm that cannot bare  
 Its neutral violence,  
 The transitory solution that cannot wait,  
 The indecisive victory  
 That is like loss read backwards and cannot bring  
 Relief to you and me,  
 The jangling  
 Of all the voices of plant and beast and man  
 That have not made a harmony  
 Since first the great controversy began,

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<sup>52</sup> Tawney, 1926, p225

<sup>53</sup> Ringe, 1995, p211

<sup>54</sup> McGregor, 1960, p52

<sup>55</sup> Bonhoeffer, 1964, p118

And cannot sink to silence  
Unless a grace  
Come of itself to wrap our souls in peace  
Between the turning leaves of history and make  
Ourselves ourselves, winnow the grudging grain,  
And take  
From that which made us that which will make us again"<sup>56</sup>

There may be no good news for the poor, or hope of justice, unless that grace takes economic shape; this thesis is intended as part of that ongoing project.

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<sup>56</sup> E Muir, "The Wheel", in *Collected Poems*, Faber & Faber, London, 1979

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